

**JSW CEMENT LIMITED EMPLOYEE STOCK OWNERSHIP PLAN –
2021**

As last amended vide the Shareholders' Special resolution dated 9th February 2024

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This **JSW Cement Limited Employee Stock Ownership Plan – 2021** (hereinafter referred to as the “**ESOP 2021**” or “**Scheme**”) is pursuant to and under the authority granted in terms of approval by the shareholders at the Extra-Ordinary general meeting of the Company held on November 30, 2021. The Company is contemplating listing of its Shares through an initial public offer. Consequently, the ESOP 2021 has been amended in the shareholders’ meeting by way of a special resolution dated 9th February 2024 with a view to align ESOP 2021 as per the provisions of the SBEB Regulations. The ESOP 2021 as amended shall apply to all Grantees, existing and future, from 9th February 2024 unless otherwise specified in the relevant clause(s) of this ESOP 2021, and/or, unless otherwise provided under the provisions of the Applicable Laws.

The Scheme applies to all Employees. The ESOP Committee shall decide the entitlement of each Employee based on various provisions mentioned in the Scheme.

This Scheme shall come into force on 9th February 2024.

SECTION 1 - OBJECTIVES

The objectives of the Scheme are:

- (a) to facilitate the Company to attract and retain talent and provide an opportunity to the Employees to acquire equity interest in the Company;
- (b) to help Employees to contribute in the growth of the Company and an opportunity for long term wealth creation; and
- (c) to reward Employees on predetermined criteria and continued employment with the Company.

SECTION 2 - DEFINITION & INTERPRETATION

The terms defined in this section shall, for all purposes of this Scheme, unless the context otherwise requires, have the meanings herein specified.

- (a) “**Act**” means the provision of the Companies Act, 2013 and the rules made thereunder including any statutory modification or re-enactment thereof.
- (b) “**Applicable Laws**” means every law relating to employee stock Options, to the extent applicable, including and without limitation to the Act, all relevant regulations of the Securities and Exchange Board of India particularly in connection with or after Listing (*as defined hereinafter*), including the [Securities and Exchange Board of India Act 1992, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“**ICDR Regulations**”), the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations 2021 (“**SBEB Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended from time to time (“**LODR Regulations**”)], all the relevant tax, securities, foreign exchange control or corporate laws or amendments thereof including any circular, notification issued thereunder by regulatory authorities of India or of any relevant jurisdiction or of any

Stock Exchange on which the Shares may be listed or quoted.

- (c) **“Award”** or **“Award Agreement”** means a written award agreement between an Eligible Employee and the Company, in the form as may be prescribed and communicated by the Company, confirming the Grant of the Option and evidencing the terms and conditions upon which they may be Exercised and sold.
- (d) **“Board”** means the board of directors of the Company.
- (e) **“Company”** means JSW Cement Limited, a company incorporated under the provisions of the Companies Act, 1956 having CIN: U26957MH2006PLC160839 and having its registered office at JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai – 400051 which term shall include its successor or assigns.
- (f) **“Eligible Employee”** shall mean the Employee selected by the ESOP Committee to whom Grants are made.
- (g) **“Employee”** means
 - 1. a permanent employee of the Company who has been working in India; or
 - 2. 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
 - 3. an employee as defined in clauses (1) or (2) above of a Subsidiary of the Company but does not include:
 - (i) an employee who is a Promoter or a person belonging to the Promoter Group; or
 - (ii) 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 Shares of the Company.
- (h) **“Employee Compensation”** means the total cost incurred by the Company towards employee compensation including basic salary, dearness allowance, other allowances including variable pay, bonus and the value of all perquisites provided (if any) but does not include:
 - 1. the fair value of the Option granted under an employee stock option scheme;
 - 2. the discount at which shares are issued under an employee stock purchase scheme;
 - 3. Any value of group-wide benefit such as insurance premium for medical, accidental, life, any food/transport subsidy etc.
- (i) **“ESOP”** means employee stock Options.

- (j) **“ESOP Committee”** means the Company’s ESOP Committee duly constituted by the Board. Post Listing, ESOP Committee will act as the compensation committee, comprising of such members of the Board as provided under Regulation 19 of the LODR Regulations, as amended from time to time and having such powers as specified under the SBEB Regulations read with powers specified in this Scheme.
- (k) **“Exercise”**, in relation to Options, means making of an application by a Grantee to the Trust or any other the person authorised by the company to receive such applications for allotment and or transfer of Shares against vested Options pursuant to this Scheme.
- (l) **“Exercise Notice”** means the notice by which a Grantee Exercises his Options in the form prescribed and communicated by the Company.
- (m) **“Exercise Period”** means such time period after Vesting within which the Grantee should Exercise the Options vested in him in pursuance of the Scheme.
- (n) **“Exercise Price”** means the price payable by the Grantee for Exercising Options Granted to him in pursuance of this Scheme.
- (o) **“Fair Market Value”** means the fair market value of a Share, as determined by an independent valuer within the meaning of the Act, appointed by the Company from time to time as required under the Scheme.
- (p) **“Grant”** means the process pursuant to which specified number of Options are granted to the Eligible Employees under this Scheme and the terms **“Granting”** and **“Granted”** shall be construed accordingly.
- (q) **“Grantee”** means an Eligible Employee who has been Granted an Option under the Scheme and signed his acceptance thereof by way of an Award in accordance with the terms and conditions set forth in the Scheme.
- (r) **“Grant Date”**, with respect to any Options means the date on which the ESOP Committee approves the Grant of such Options pursuant to the Scheme.
- (s) **“Listing”** means listing of Shares on any Recognized Stock Exchange and which listing shall not be later than April 01, 2027 or such other date as may be decided by the Company.
- (t) **“Long Leave”** means the approved leave availed by the Eligible Employee for more than the 6 months in accordance with the policies of the Company excluding maternity leave in terms of the applicable laws and Company policy.
- (u) **“Market Price”** means the latest available closing price on the recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

Explanation: In the case of shares listed on more than one recognized Stock Exchange, then the Stock Exchange where the highest trading volume on the said date shall be considered.

- (v) **“Merchant Banker”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, who is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- (w) **“Option”** means the option given to an Eligible Employee that gives him a right but not an obligation to purchase at a future date, the Shares offered by the Company, at a pre-determined price. This is a right but not an obligation granted to an Employee under the Scheme to apply for and receive Shares of the Company at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting. Each Option Granted would represent the right to apply for 1 (one) Share of the Company.
- (x) **“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 Grantee was capable of performing immediately before occurrence of such disability, as determined by the ESOP Committee based on the certificate of a medical expert identified by the Company.
- (y) **“Promoter”** shall have the same meaning assigned to it under Applicable Laws;
- (z) **“Promoter Group”** shall have the same meaning assigned to it under the Applicable Laws.
- (aa) **“Recognised Stock Exchange”** means a stock exchange which has been granted recognition under Section 4 of the Securities Contracts (Regulation) Act, 1956.
- (bb) **“Relevant Date”** means any of the following dates as the context require:
 - i. in the case of Grant, the Grant Date; or
 - ii. in the case of Exercise, the date on which the notice of Exercise is given to the Company or to the Trust by the Grantee.
- (cc) **“Retirement”** means retirement as per the rules of the Company.
- (dd) **“Scheme”** means this JSW Cement Limited Employee Stock Ownership Plan - 2021.
- (ee) **“Secondary Acquisition”** means acquisition of existing shares of the Company by the Trust, on a delivery basis, on the platform of a Recognized Stock Exchange or from the Promoters for cash consideration pursuant to this Scheme and in accordance with the SBEB Regulations.
- (ff) **“Secretarial Auditor”** means a company secretary in practice appointed by the Company under Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the LODR Regulations.
- (gg) **“Share”** means equity shares of the Company of a face value of Rs.10 (Rupees ten) each.
- (hh) **“Subsidiary”** means any present or future subsidiary of the Company incorporated in India and as defined under Section 2(87) of the Act.
- (ii) **“Trust”** means a trust established by the Company under the provisions of Indian Trusts

Act, 1882, for the administration of the employee stock option plans/ schemes of the Company including ESOP 2021, being authorised from time to time, to acquire, hold and transact in cash and Shares of the Company for the purposes of relevant employee stock option plan/ schemes of the Company.

- (jj) **“Trustee”** means the person/ entity appointed as a trustee under the Trust deed of the Trust.
- (kk) **“Unvested Option”** means an Option in respect of which the relevant Vesting conditions have not been satisfied and as such, the Grantee has not become eligible to Exercise the Option.
- (ll) **“Vested Option”** means an Option in respect of which the relevant Vesting conditions have been satisfied and the Grantee has become eligible to Exercise the Option.
- (mm) **“Vesting”** means the process by which an Eligible Employee becomes entitled to receive the benefit of a Grant pursuant to this Scheme.
- (nn) **“Vesting Date”** In relation to an Option means the date on which the Options have Vested.
- (oo) **“Vesting Period”** means the period, from the date of Grant till the date on which the Grantee becomes eligible to Exercise the Option.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Applicable Laws.

INTERPRETATION

In this document, unless otherwise stated or intention appears:

- (a) words denoting the singular shall include the plural and vice versa;
- (b) the words importing a gender include every gender.
- (c) heading and bold type face are only for convenience and shall not affect the interpretation hereof;
- (d) references to the word “include” or “including” shall be construed without limitation;
- (e) reference to the term “person” shall include, without limitation, any corporation, a firm, a body corporate or unincorporated, limited or unlimited liability company, any authority, partnership or individual, trust or other entity (whether or not having a separate legal entity); and
- (f) references to any statute or statutory provision or rule or regulation shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

SECTION 3 - SCHEME SUPERVISION AND ADMINISTRATION

1. Supervision

- (a) The Scheme shall be supervised by the ESOP Committee in consultation with the Board through a trust route wherein the Trust may acquire the Shares: (i) by direct allotment from the Company; and/or (ii) from Secondary Acquisition, as may be applicable. The Board shall have the power to re-constitute the ESOP Committee from time to time.
- (b) The ESOP Committee shall, *inter alia*, formulate the detailed terms and conditions of the Scheme which shall include provisions specified by Applicable Laws. The ESOP Committee shall also, subject to Applicable Law, have the power to amend the Scheme and correct any defects or remove any difficulties arising out of the implementation of the Scheme.
- (c) The ESOP Committee shall be entitled to invite any person to attend its meetings and participate in the discussions and deliberations if it may so deem fit. The ESOP Committee, in exercise of its powers, may require any information from the management of the Company, and/or seek the assistance of any Employee of the Company as it may deem fit, to discharge its duties fully and effectively.
- (d) The ESOP Committee may delegate its duties and powers in whole or in part as it may determine.
- (e) The ESOP Committee is authorised to interpret this Scheme, to establish, amend and rescind any rules and regulations relating to this Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of this Scheme. The ESOP Committee may correct any defect, omission or reconcile any inconsistency in this Scheme in the manner and to the extent the ESOP Committee deems necessary or desirable. Subject to the Applicable Laws, any decision of the ESOP Committee in the interpretation and administration of this Scheme as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including the Employees and their nominees). The ESOP Committee shall, *inter-alia*, subject to Applicable Laws, have the power to do the following:
 - (i) Formulate and adopt forms, agreements, rules and regulations for implementing this Scheme from time to time;
 - (ii) Determine the Employees to whom Options may be granted hereunder;
 - (iii) Determine the quantum of Options and the number of Options to be granted to each Employee, subject to ceiling specified in this Scheme;
 - (iv) Determine the conditions under which the Option Vested in the Employees may lapse in case of termination of employment for Cause/;
 - (v) Determine the exercise period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;

- (vi) Determine the procedure for making a fair and reasonable adjustment to the number of Options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
 - (vii) Approve forms of agreement for use under the Scheme;
 - (viii) Authorise any person to execute documents on behalf of the ESOP Committee, to maintain all such books of account, records and data as may be required to administer the Scheme;
 - (ix) Obtain permission/s from and make periodic reporting to regulatory authorities and ensuring compliance with all guidelines applicable to the Scheme;
 - (x) Post Listing, frame suitable policies and procedures to ensure that there is no violation of Applicable Laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its employees, as applicable;
 - (xi) Prescribe or amend any rule and correct any defects in the Scheme.
 - (xii) Post Listing, appoint registered merchant banker for implementation of the Scheme up till in-principle approval of the Scheme.
 - (xiii) Determine the procedure for funding the exercise of Options.
 - (xiv) Determine the terms and conditions, not inconsistent with the terms of this Scheme, of any Shares acquired hereunder and, subject to Applicable Laws, modify or add to all or any of the rights and obligations of the Grantee/ nominees.
 - (xv) Formulate the terms and conditions in case of Employees who are on a Long Leave.
 - (xvi) Any matter relating to the Trust and aspects of administration of ESOP 2021 by the Trust;
 - (xvii) Decide all other matters in connection with the Shares under this Scheme in accordance with the Applicable Laws.
 - (xviii) Construe and interpret the terms of this Scheme.
 - (xix) Formulate various and/or separate sets of special terms and conditions in addition to those set out herein or in the terms of any Shares, to apply to any Grantee(s)/ nominee(s) or sets of Grantee(s)/ nominee(s).
 - (xx) Any other specific function as may be delegated to it by the Board and/or as may be required to be performed under the Applicable Laws.
- (f) All decisions made by the ESOP Committee in the matters referred to above shall be conclusive and binding on all parties concerned (including, but not limited to, the

Grantees and their nominees). Neither the Company, nor the Board/ESOP Committee shall be liable for any action or determination made with respect to this Scheme or any Share acquired there under.

- (g) The powers and functions of the ESOP Committee can be specified, varied, altered or modified from time to time by the Board, subject to the Applicable Laws. The Board may further provide that the ESOP Committee shall exercise certain powers only after consultation with the Board and in such case, the said powers shall be exercised accordingly.
- (h) The Company may lend monies to the Trust on appropriate terms and conditions for the purpose of implementation of the Scheme in accordance with the Act and the rules issued thereunder.
- (i) Each Grantee shall be provided a copy of this Scheme and a copy of the Award.
- (j) The Trust shall maintain such records and data as may be required to implement the Scheme.
- (k) Each Grantee is deemed to have read, understood and accepted the provisions of the Scheme and the Award, upon the same being made available to them and shall, where applicable, bind their nominees.
- (l) The procedure for buy-back of Options granted under the Scheme 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 Options that the Company may buy-back in a financial year.

2. Administration

- a) The ESOP 2021 shall be administered by the Trust to the extent aspects of such administration are delegated by the ESOP Committee as per the requirements of Applicable Laws.
- b) The Trust shall be governed subject to following terms and conditions:
 - i. It shall undertake only such transactions as permitted under the deed of Trust read with the provisions of the Applicable Laws;
 - ii. The Trustees appointed or re-appointed from time to time shall be such persons as being not disqualified as prescribed under the Applicable Laws; and
 - iii. The Trustees shall not vote in respect of the Shares held by the Trust.
- c) The Trustees while administering ESOP 2021 shall abide by the provisions contained therein, terms of the Grant, Vesting and Exercise as decided by the ESOP Committee and shall ensure compliance of the provisions of relevant Applicable

Laws as prevailing from time to time, in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

SECTION 4 - EFFECTIVE DATE & TERMINATION OF THE SCHEME

- (a) The Scheme shall come into force on December 01, 2021.
- (b) The Scheme shall be terminated on March 31, 2029 and no Grant shall be made, nor shall any Option be exercisable under the Scheme after such date.

SECTION 5 - GRANT OF OPTIONS

1. Quantum of Options subject to the Scheme

- (a) The maximum number of Options available for Grant under the JSW Cement Limited Employees Stock Ownership Plan 2021 shall be 3,33,75,979. Each Option when exercised will be converted into 1 (one) Share of the Company. For the purpose of the Scheme, the Shares shall be acquired by the Trust in the manner set out in Section 3(a) above, subject to necessary approvals in accordance with all Applicable Laws. Post Listing, the total number of Shares to be acquired pursuant to Secondary Acquisition shall at no time exceed the thresholds applicable in a financial year prescribed under the SBEB Regulations. The Trust shall also hold the Shares so acquired for the minimum holding period prescribed under the SBEB Regulations, except for purposes of transferring the Shares off-market to the Grantees. The Trust shall not sell any Shares of the Company in the secondary market except in the circumstances specified in the SBEB Regulations.
- (b) The maximum number of Options under Scheme that may be granted to each Employee per Grant and in aggregate shall not exceed 15,00,000 Fifteen lacs) Options at the time of Grant of Option.
- (c) If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool as mentioned in Section 5(1)(a) and shall become available for future Grants, subject to compliance with all Applicable Laws.

2. Grant of Options

The Trust shall Grant Options to the Employees based on defined criteria and on the recommendations of the ESOP Committee as per Clause 3 below.

3. Eligibility

- (a) Employees in grades L01-L19 or equivalent grade are Eligible Employees for Options subject to the provisions of the Scheme. The ESOP Committee will determine and designate from time to time Employees to whom Options are to be Granted and the number of Options to be Granted and recommend the same to the Trust. The Options shall be Granted to such Employees under an Award signed by the authorized signatory of the Company and the Grantee.

- (b) Employees in grades L01 to L19 or equivalent grade who have joined on or before the 31st March of every financial year of the grant date and have completed at least six (6) months in the Company are eligible to participate in the Scheme.
- (c) In recommending the eligibility of an Employee to receive Options under the Scheme, the ESOP Committee shall consider the performance of an Employee as indicated by the annual performance appraisal, minimum period of service, the position and responsibilities of an Employee, the nature and value to the Company of his services and accomplishments, his present and potential contribution to the success of the Company, past service and geographical location and such other factors that the ESOP Committee may deem relevant. The ESOP Committee however is authorized to change the eligibility criteria from time to time.
- (d) In case of directors, the eligibility would depend on the period for which the office of the director is held by the incumbent or proposed to be held by the incumbent and such other factors as ESOP Committee may think appropriate. The ESOP Committee at its discretion may recommend extending the benefits of the Scheme to a new director.

4. Terms and Conditions of Options

Options shall be subject to the following terms and conditions and to such other terms and conditions as shall from time to time be approved by the ESOP Committee.

- (a) No Employee shall have any right to demand the Grant of Options, nor shall the Company have any obligation to Grant Options to any Employee.
- (b) It is clearly understood that the Grant or Vesting of any Options to an Employee, per se, does not assure accrual of a benefit or profit.
- (c) Upon completion of the Vesting Period, the Grantee shall have the right to Exercise the Options during the Exercise Period. The completion of the Vesting Period does not entitle the Grantee to any dividends, rights issue or bonus shares or to vote or in any manner or enjoy the benefits available to a shareholder until the Options are Exercised and Shares are transferred to the Grantee.

5. Award

The Grant of Options shall be confirmed by an Award which shall be executed by the Company and an Employee at the time of such Grant. The Award shall expressly state or incorporate by reference, the provisions of the Scheme. The Grantee is deemed to have read and understood the terms of the Scheme and the Award.

6. Option Accounting

In respect of Options Granted during any accounting period, the accounting value of the Options shall be treated as another form of Employee Compensation in the financial statements of the Company. Upon Listing, the Company shall conform to the disclosures and the accounting policies specified in the applicable accounting standards and

Regulation 15 of the SBEB Regulations.

SECTION 6 - VESTING OF OPTIONS

Unless otherwise determined by the ESOP Committee, the Grant of Options made to the Eligible Employees, the Vesting criteria and Vesting schedule shall be mentioned in the Award Agreement.

- (a) The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place would be outlined in the Award executed at the time of Grant of Options.
- (b) There would be a minimum Vesting Period of one (1) year from the Grant Date; Provided that in a case where Options are Granted in lieu of Options held by the Eligible Employee under the Scheme in another company, which has merged or amalgamated with the Company, the period during which the Options Granted by the merging or amalgamating company were held by him shall be adjusted against the minimum Vesting Period required under this sub-clause, at the discretion of the ESOP Committee. Provided further that in the event of death or Permanent Incapacity of an Eligible Employee, the minimum Vesting Period of one (1) year shall not be applicable.
- (c) Each Option Granted shall be conveyed to the Grantee in the Award, specifying the Vesting Date, number of Options Granted, the Exercise Price, the Vesting schedule of the Option and other terms and conditions thereof.
- (d) In case of termination of employment, other than as set out in this Scheme, all the Unvested Options will lapse on the date of such termination of employment.
- (e) In the event of the death of a Grantee while in employment or after Retirement, all the Unvested Options as on the date of his death shall vest on such date in the nominees or legal heirs of the deceased Grantee, as prescribed under the Act and the SBEB Regulations, as may be applicable.
- (f) In the event of Permanent Incapacity of the Grantee while in employment or after Retirement, all the Unvested Options as on the date of such Permanent Incapacity shall vest on such date of Permanent Incapacitation in him or the designated nominees or his legal heirs, as prescribed under the Act and the SBEB Regulations, as may be applicable.
- (g) Subject to Applicable Laws, in case of Retirement of an Eligible Employee, all the Unvested Options shall vest in the Eligible Employee as per the Vesting schedule in accordance with Section 6 of this Scheme and as specified in the Award.
- (h) In the event of voluntary resignation on the part of the Grantee and consequent termination of the Grantee's employment with the Company, the Vested Options, to the extent not previously Exercised, can be exercised by an Eligible Employee within 1 (one) month from the date of termination of his employment due to resignation and all the Unvested Options shall lapse with effect from the date of such resignation. For the purposes of this Clause, employment shall be deemed to have terminated on the last day of such Eligible Employee's employment with the Company.
- (i) In the event of abandonment of employment by a Grantee, all the Vested and Unvested

Options shall stand cancelled. The ESOP Committee, in its sole discretion shall decide the date of cancellation of such Options and the decision shall be binding.

- (j) In cases where the Eligible Employee is undergoing Disciplinary Inquiry, or the Company discovers that the Eligible Employee had committed any act which would enable the Company to terminate his employment for “Cause”, the ESOP Committee may at its discretion, delay the Vesting, lapse, expire or forfeit all or part of the vested which are held by the Eligible Employee. All the Unvested Options as on date of such termination shall lapse.

“Disciplinary Inquiry” means any disciplinary inquiry which is undertaken as per the Company’s policies.

SECTION 7 – EXERCISE PRICE AND EXERCISE PERIOD

I. Exercise Price

- (a) The Exercise Price per Option shall be as determined by the ESOP Committee which shall not be less than the face value of the Shares and may be up to the Fair Market Value of the Shares as on Grant Date.

Post Listing, the Exercise Price per Option shall be as determined by the ESOP Committee, which shall not be less than the face value of the Shares and may be up to the Market Price of the Shares as on Grant Date.

- (b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Trust or in such other manner as specified in the Award.

II. Exercise Period

- (a) The Exercise Period in respect of the Vested Option shall be subject to a maximum period of **4 (Four) years** or latest by March 31, 2029.
- (b) The Grantee has the right to convert any number of his vested Options into Shares in full or in tranches at any time during the Exercise Period subject to the following conditions:
- (c) The Vested Option may be Exercised within Exercise Period by the Employee during the continuance of an Employees’ employment with the Company and / or Subsidiary(ies) or its Associate Companies and upon retirement or permanent incapacity of the Employee, or by the nominee of the Employee upon his death as per the provisions of Section 8 of this Scheme.
- (d) The Options may be Exercised by a Grantee only by submitting the Exercise Notice to the Trust specifying the number of Options to be Exercised. The Option shall be deemed to be Exercised when the Grantee pays to the Company a consideration equal to the respective Exercise Price of the Option and upon the satisfaction of the tax liability set out in Section 7(VIII) of this Scheme.

- (e) As soon as practicable on receipt of the notice of Exercise of Options and receipt of the Exercise Price thereof, the Trust shall make necessary arrangements for transfer of the Shares in lieu thereof.

III. Cashless Exercise:

- (a) Upon Listing of the Company and if permissible under Applicable Laws, the Grantee shall have the option to receive cash in lieu of Shares. Upon the Grantee Exercising the Option, the corresponding Shares that would otherwise have been transferred to such Grantee, will be sold on a Recognised Stock Exchange in which the Shares are listed and publicly traded at the time of such cashless exercise, and the Grantee will be entitled to receive the difference between the Selling Price and the Exercise Price for the Options Exercised by him after deducting taxes payable on exercise/sale, if any, and other amounts, expenses and charges due from him (including that in connection with the sale of Shares on a Recognised Stock Exchange in terms of this Clause). This Option is exercisable by delivery of an exercise notice, in the form as may be prescribed and communicated by the Company.
- (b) For the purpose of implementing such cashless exercise, the Trust shall be entitled to specify such procedures and/or mechanisms for exercise of the Options as may be necessary and the same shall be binding on the Grantee. The Trust may at its discretion refuse to permit the sale of Shares on the Recognised Stock Exchange to be undertaken on Exercise of the Options, if it determines that such a sale would result in contravention of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI Regulations or any other Applicable Laws for the time being in force.
- (c) For the purpose of this Clause, unless otherwise stated the term “**Selling Price**” means the actual price realized on the sale of Shares through the Recognized Stock Exchanges.
- (d) Notwithstanding anything contained herein or elsewhere in this Scheme, it is hereby clarified that the Company/Trust is under no obligation to either buy the Shares or pay any compensation to any Employee as a result of the inability or unwillingness of the Eligible Employee to acquire any Shares, whether due to lack of funds, any restriction under Applicable Laws or otherwise.

IV. Lapse of Options

In case the Eligible Employee does not Exercise the Options during the Exercise Period or such earlier date, as may be specified, the Options will lapse and no rights for the Eligible Employee with respect to such Options will accrue after that date.

V. Vesting and Exercise of Options in case of Employees on Long Leave

On availment of Long Leave, unless the ESOP Committee determines otherwise, the period of Long Leave shall be excluded to calculate the Vesting Period.

VI. Non-Transferability

Each Option Granted under the Scheme shall, by its terms be non-transferable by the Grantee (except by will or the laws of descent and distribution), and subject to Section 6 and Section 8 of this Scheme, each Option shall be exercisable during the Grantee's lifetime only by the Grantee. The Option Granted to the Grantee shall not be assigned, pledged, hypothecated, mortgaged or otherwise alienated in any other manner except in case of death or Permanent Incapacity of a Grantee, to the Grantee's nominees or authorised legal representative or legal heirs as specified in the Scheme. No transfer of the Option by way of a will or nomination shall be effective or bind the Company unless the Company has been furnished with written notice thereof and a copy of the will and/or such other documents have been provided to the Company as the Company may deem necessary to establish the validity of the transfer and the acceptance by the transferee of the terms and conditions of the Scheme.

VII. Lock-in period

The Shares transferred upon Exercise of Options Granted under the Scheme are not subject to any lock in period and are freely transferable; Provided however that after Listing, the Shares delivered on Exercise cannot be transferred for such period from the date of allotment as may be required under the SEBI (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time, if applicable.

VIII. Taxation - Tax Liability

- (a) In the event of any tax liability, including any tax liability arising on account of change in the tax laws relating to the Scheme, arising on account of the Grant/Exercise of Options and/or transfer of the Shares to any Grantee, the liability shall be that of the Grantee alone and the Company/Trust shall be indemnified to the extent of applicable taxes, if any, levied at any point of time upon the Company/Trust in this regard.
- (b) No Shares shall be transferred to the Grantee or his nominee, as the case may be, on Exercise of the Options under this Scheme unless appropriate taxes as required under the Applicable Laws, are discharged. Such taxes may either be deducted from the Grantee's salary and / or can be separately discharged by the Grantee or his nominee by giving a cheque / demand draft to the Company/Trust for the said amount.
- (c) The Company/Trust shall have the right to deduct from the Grantee's salary, any obligation towards tax deduction arising in connection with the Option exercised or the Shares acquired upon the Exercise thereof. The Grantee will also authorize the Company/Trust in the prescribed format as may be communicated by the Company, to sell such number of Shares as would be necessary to discharge the obligation in respect of tax deduction at source/recovery of tax paid and appropriate the proceeds thereof on behalf of the Grantee.

- (d) The Trust shall have no obligation to deliver Shares or to release Shares in pursuance of the Option or make payment arising out of exercise of cashless option, until the Company's tax deducting obligations, if any, have been satisfied by the Grantee or his nominee.
- (e) In the case of death of a Grantee, the determination of income, if any, arising on account of the Option shall be done at the relevant point of time when the Options shall vest and it is exercised by the legal heirs. The tax treatment shall accordingly be determined by the Company/Trust upon the happening of the respective event in aforesaid scenarios which shall be binding on the Grantee's nominee/legal heirs.

SECTION 8 - TREATMENT OF OPTIONS IN CASE OF TERMINATION OF EMPLOYMENT

- (a) If a Grantee's employment with the Company terminates for Cause, then all the Options whether vested or unvested, shall lapse/stand cancelled/forfeited on the date of such termination of employment. The Company shall not have any obligation towards the Grantee for such lapsed or cancelled Options.

“Cause” shall mean, as determined by the ESOP Committee, (i) engaging by a Grantee in wilful, reckless or grossly negligent misconduct which is determined by the ESOP Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, or (ii) a Grantee pleading guilty to or conviction of a felony, or (iii) fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company to any third party, or (iv) employment of a Grantee in any other organisation or provision of services by an Grantee for any other organisation, or (v) any other reason which is determined by the ESOP Committee to be detrimental to the interest of the Company.

- (b) If a Grantee's employment with the Company terminates due to voluntary resignation on the part of the Grantee within 1 (one) year from the date of Grant, then all the Unvested Options as on the date of termination shall lapse forthwith.
- (c) If a Grantee's employment with the Company terminates due to voluntary resignation on the part of the Grantee after 1 (one) year from the date of Grant, then the Vested Options shall be (a) prior to Listing, be exercised within 3 months from the date of termination of employment, by way of a cash pay-out which is equivalent to difference between the Fair Market Value as on 31st March of the preceding financial year and the Exercise Price (“**Default Exercise Mechanism**”) and (b) upon Listing, exercised within 3 months from the date of termination of employment, in terms of Section 7 of this Scheme. All the Unvested Options shall lapse and be cancelled forthwith.

Cessation of employment on account of leaving the Company for joining any of the group company (including Associate and Subsidiaries of the Company) will be regarded as employment transfers within the Company and will not be treated as termination under this clause.

- (d) If Grantee's employment with the Company terminates due to death while in the employment of the Company, then all the Options granted to him as on the date of death shall vest in the legal heirs or nominee of the deceased Grantee and if the Grantee's employment with the Company terminates due to Permanent Incapacity then all the Options shall vest in him on the date of Permanent Incapacitation. All Vested Options of the Grantee in such cases shall be (a) prior to Listing, exercised within 6 months from the date of termination of employment by way of the Default Exercise Mechanism or (b) upon Listing, exercised within 6 months from the date of termination of employment in terms of Section 7 of this Scheme.
- (e) If a Grantee retires, the Vested Options shall be exercised within 6 months from the Retirement date or Exercise Period whichever is earlier, by way of the (a) prior to Listing, Default Exercise Mechanism, or (b) Upon Listing, within 6 months from the Retirement date or Exercise Period whichever is earlier, in terms of Section 7 of this Scheme.

All the Unvested Options shall continue to vest in accordance with the original Vesting Schedule and such Vested Options shall be exercised within 6 months from the Vesting or Exercise Period whichever is earlier, by way of the (a) prior to Listing, Default Exercise Mechanism, or (b) Upon Listing, within 6 months from the Vesting or Exercise Period whichever is earlier, in terms of Section 7 of this Scheme.

- (f) In the event of a termination of employment for reasons other than those referred in Section - 8 (a), (b), (c), (d) and (e), all the Unvested Options will lapse forthwith. The Vested Options may be exercised by the Grantee prior to the expiry of Exercise Period or such period as determined and intimated by the ESOP Committee to the Grantee.

Upon Listing, all the Unvested Options will lapse forthwith. ESOP Committee may take decision as to Vested Options and such decision shall be final and binding.

In the event, the Listing has not occurred by 1st April 2027 or such other date as may be decided by the Company, then all the Vested Options held by the Grantee shall be cashed out as soon as practicable but not later than March 31, 2028 by way of the Default Exercise Mechanism.

For all practical purposes the cash payout /settlement of options shall be done by the Company within 15 days from the receipt of notice of exercise. Further, the Fair Market Value as on 31st March of the preceding financial year will be of the date of separation of the employee -for Section 8 (c), 8 (d), 8 (e) and 8(f) above.

SECTION 9 - RIGHTS OF AN EMPLOYEE IN STOCK

- (a) **Rights as a Shareholder** - The Grantee shall have no rights in relation to the Shares until such time as the Exercise Price relating to such Option has been paid and the Shares have been transferred in the Grantee's name and the Grantee becomes a registered holder of the Shares.

(b) **No Right of Employment**

The Grant of Options under this Scheme does not create a right to continued employment with the Company or its Subsidiaries, as the case may be. Nothing in this Scheme or Award shall interfere with or limit in any way the right of the Company or Subsidiary, as the case may be to terminate the employment of the Grantee at any time.

SECTION -10 - CHANGE IN CAPITAL AND CORPORATE ACTION

1. Changes in Capital

- (a) The existence of the Scheme and any Award hereunder shall not affect, in any way, the right or power of the Board or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any merger or consolidation of the Company or its Subsidiary, any issue of debt, preferred or prior preference stock ahead of or affecting stock, the authorization or issuance of additional Shares, the dissolution or liquidation of the Company or its Subsidiaries, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.
- (b) (i) Upon changes in the outstanding Shares by reason of a stock dividend, stock split, reverse stock split, sub-division, recapitalization, reclassification, merger, consolidation (whether or not the Company is a surviving corporation), combination or exchange of Shares, separation, or reorganization, or in the event of an extraordinary dividend, "spin-off", liquidation, other substantial distribution of assets of the Company or acquisition of property or stock or other change in the capital of the Company, or the issuance by the Company of Shares without receipt of full consideration thereof, or rights or securities exercisable, convertible or exchangeable for Shares of such capital stock, or any similar change affecting the Company's capital structure, the aggregate number, class and kind of Shares available under the Scheme as to which Options may be granted and the number, class and kind of Shares under each outstanding Option and the Exercise Price per Share applicable to any such Option shall be appropriately adjusted by the Board and / or ESOP Committee along with such approvals as may be necessary to preserve the benefits or potential benefits intended to be made available under the Scheme or with

respect to any outstanding Options or otherwise necessary to reflect any such change, in a manner that the Board and / or the ESOP Committee deems fit.

(ii) Fractional Shares resulting from any adjustment in Options pursuant to Section 10(1)(b)(i) shall be aggregated until, and eliminated at, the time of Exercise of the affected Options. Notice of any adjustment shall be given by the ESOP Committee to each participant whose Options have been adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all the purposes of the Scheme.

2. Change in Control

In the event of:

- (a) a stock sale, merger, consolidation, combination, reorganization or other transaction resulting in change of control over the Company; or
- (b) other than as stated in Section 10(1)(b)(i) above, the liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets or business of the Company;

the Board may take such steps, as it deems fit in its discretion, and on such terms and conditions as it deems appropriate. No Grantee shall have any right to prevent the consummation of any of the foregoing acts affecting the number of Shares available to such Grantee.

3. Corporate Action

- (a) Notwithstanding anything contained under this Scheme, the ESOP Committee shall, inter alia, formulate the detailed terms and conditions of the Scheme including the procedure for making a fair and reasonable 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.
- (b) In this regard following shall be taken into consideration by the ESOP Committee:
 - (i) the number and the price of the Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action;
 - (ii) for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
 - (iii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Grantee.

SECTION 11 - INTERPRETATION, AMENDMENTS, NOTICES & TERMINATION OF THE SCHEME

- (a) **Amendments to the Scheme:** Subject to such approvals as may be required under Applicable Laws, the ESOP Committee may amend or terminate the Scheme from time to time in such respect as the ESOP Committee may deem advisable including in case of corporate actions which *inter alia* includes bonus issue, right issue, consolidation of Shares into Shares of larger denomination, split of Shares into Shares of smaller denomination etc., change the designation of the class of Employees eligible to receive Options, or add any material benefit to Grantees under the Scheme. Any amendment shall not affect the benefits already secured for the existing nominees under this Scheme. Any amendment proposed under this provision shall be in compliance with all Applicable Laws.
- (b) **Interpretation & Amendments:** The Trust may make such rules and regulations and establish such procedures for the implementation of the Scheme, as it deems appropriate. In the event of a disagreement as to the interpretation of this Scheme or of any rule, regulation or procedure or as to any question, right or obligation arising from or related to the Scheme, the decision of the Trust shall be final.
- (c) **Notices:** All notices under the Scheme shall be in writing, and if to the Trust, shall be delivered to the Trust at the address specified below with a copy to the Company and if to the Employee shall be delivered personally or mailed to the Employee at the address appearing in the payroll records of the Company. Such address may be changed at any time by a written notice to the other party.

The Trustees,
JSW Cement Employees Welfare Trust
JSW Centre, Bandra Kurla Complex,
Bandra (East),
Mumbai 400051

(d) Termination of the Scheme

The Scheme shall terminate upon the earliest to occur of the following:

- (i) The effective date of a resolution adopted by the ESOP Committee terminating the Scheme;
- (ii) The date all Shares subject to the Scheme are delivered pursuant to the Scheme's provisions; or

(iii) 31st March, 2029.

No Options may be Granted under the Scheme after the earliest to occur of the events or dates described in the foregoing paragraphs (i) through (iii) of this Section but Options Granted so far shall continue in force beyond that date pursuant to these terms.

No such termination of the Scheme shall affect the previously accrued rights of any Grantee hereunder and all Options previously Granted hereunder shall continue in force and in operation after the termination of the Scheme, except as they may be otherwise terminated in accordance with the terms of the Scheme or the Award.

SECTION 12 - VARIATION OF THE TERMS OF THE SCHEME & RE-PRICING

- (a) The Company shall not vary the terms of the Scheme in any manner, which may be detrimental to the interests of the Employees, other than as required under Applicable laws.
- (b) The Company may, by special resolution in a general meeting vary the terms of the Scheme offered pursuant to an earlier resolution of a general body but not yet exercised by an Employee provided such variation is not prejudicial to the interests of the Option holders.
- (c) The notice for passing special resolution for variation of terms of the Scheme shall disclose full details of the variation, the rationale thereof, and the details of the Employees who are the nominees of such variation.
- (d) The Company may, in accordance with Applicable Laws, re-price Options which are not Exercised, whether or not they have been vested, if the Scheme was rendered unattractive due to a fall in the price of Shares in the Recognised Stock Exchange, if applicable; provided that such re-pricing shall not be detrimental to the interest of the Employees and the approval of shareholders in a general meeting has been obtained for such re-pricing.

SECTION 13 - OTHERS

- (a) Nothing contained in the Scheme shall be construed to prevent the Company, directly or through any trust settled by the Company, from implementing any other or future employee ownership plans which are deemed by the Company or the Trust to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Scheme. No Employee or other person shall have any claim against the Company and/or Trust as a result of such action.

- (b) If the acquisition of Shares is prevented by any law or regulation in force and the Employee is forbidden to acquire the Shares under such law or regulation, then in such an event the Company shall not be liable to compensate the Employee in any manner.
- (c) The Company's or the ESOP Committee's obligation to convey to the Grantee/ nominees any Shares shall be subject to set-off or counterclaim of amounts owed by the Grantee/ nominees to the Company or the ESOP Committee to the extent permitted under Applicable Laws.
- (d) Options Granted pursuant to the Scheme shall be subject to such other terms, provisions and conditions (which need not be identical) not inconsistent herewith as shall be determined by the ESOP Committee.
- (e) In the event that any term, condition or provision of the Scheme is held to be a violation of any Applicable laws, statute or regulation the same shall be severable from the rest of the Scheme and shall be of no force and effect and the Scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in the Scheme.
- (f) The implementation of this Scheme, the acquisition of Shares under this Scheme shall be subject to the procurement by the Company and the Employee of all approvals and permits required by any regulatory authorities having jurisdiction over this Scheme and the Shares acquired pursuant thereto. The Employee under this Scheme will, if requested by the ESOP Committee, provide such assurances and representations to the Company or the ESOP Committee, as the ESOP Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.
- (g) The Scheme shall not confer on any person, any legal or equitable rights against the Company or the ESOP Committee, directly or indirectly, or give rise to any cause of action at law or in equity against the Company, Trust or the ESOP Committee.
- (h) The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Company's auditors or any independent financial advisor in relation to the preparation of any confirmation by them or provision of any other service in relation to this Scheme but not including brokerage, any fees for the opening of demat account or any other ancillary activity which will be communicated by the Company.
- (i) The Company shall comply with the accounting standards for share based employee benefits as prescribed under Ind AS and comply with other requirements as may be prescribed under the applicable regulations.
- (j) Participation in this Scheme shall not be construed as a guarantee of return on the Shares purchased from the Options. The risks associated with investment in Shares are that of the Grantee alone.

- (k) The Board shall disclose in its Director's Report, the details of the Scheme as required under Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014.
- (l) The Company shall maintain a Register of Employee Stock options as set out under Rule 12 (10) of the Companies (Share Capital and Debentures) Rules, 2014.
- (m) For Listing of Shares issued pursuant to this Scheme, the Company shall obtain the in-principle approval of stock exchange(s) where it proposes to List the said Shares.
- (n) Post Listing, the Board shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Scheme has been implemented in accordance with the SBEB Regulations and in accordance with the resolution of the Company in the general meeting.
- (o) Notwithstanding anything to the contrary contained herein or in any Award Agreement, the Company shall not be required to issue Shares if the issuance violates any provision of any Applicable Laws or regulation of any government authority or SEBI or a stock exchange.
- (p) Participation in this Scheme shall not be construed as a guarantee of return on the Shares purchased from the Options. The fluctuations in price and the risks associated with investment in Shares are that of the Grantee alone. The Grantee is encouraged to make considered judgment and seek adequate information / clarification essential for appropriate decision.
- (q) The inability of the Company to obtain any approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to grant the options or issue Shares.
- (r) This Scheme shall not form part of any contract of employment between the Company and the Employee. The rights and obligations of any individual under the terms of his office or employment with the Company shall not be affected by his participation in this Scheme.
- (s) Nothing in this Scheme shall be construed as affording an Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- (t) Nothing contained in the Scheme shall limit or restrict in any way the Company from making any award or payment to the Employee and the Directors under any other Scheme.

- (u) Notwithstanding anything contained herein or in any Agreement to the contrary, the Company shall not be required to sell or issue ESOP if the issuance thereof violates any provision of any Applicable Laws or regulation of any Government authority or SEBI or a stock exchange.

SECTION 14 - GOVERNING LAW AND JURISDICTION

The terms and conditions of this Scheme shall be governed by and construed in accordance with the laws of India.

The Courts in Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising out of or in relation to this Scheme.

Nothing in this clause will however limit the right of the Company to bring proceeding against any Employee in connection with this Scheme:

- (a) in any other court of competent jurisdiction;
- (b) concurrently in more than one jurisdiction

----- **End of Scheme** -----