



ACE FURNACES LTD.

(Formerly known as ACE FURNACES PVT. LTD.)

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ACE FURNACES LIMITED

(formerly known as Ace Furnaces Private Limited)

Employee Stock Option Plan 2026

ACE FURNACES LIMITED (formerly known as Ace Furnaces Private Limited)

(formerly known as Ace Furnaces Private Limited)

CIN: U29242MH2014PLC253538

Registered Office: Office No. 130, 1st Floor, Lodha Supremus II, Road No. 22, Wagle Estate, Thane – 400604

Adopted by	Date of Approval
Shareholders of the Company	21st September 2026



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Regd. Office: Office No.130, 1st Floor, Lodha Supremus II, Road No. 22, Wagle Estate, Thane, Maharashtra 400604 Tel. + 91 22 49749248/49

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CIN : U29242MH2014PLC253538

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

- 1.1 This Employee Stock Option Plan shall be called ACE FURNACES LIMITED (formerly known as Ace Furnaces Private Limited) Employee Stock Option Plan 2026 ("AFL ESOP 2026"/" Plan").
- 1.2 This Plan has been constituted by ACE FURNACES LIMITED (formerly known as Ace Furnaces Private Limited) (the "Company"), a Company incorporated under the Companies Act, 1956 (Companies Act), having its registered office at Office No. 130, 1st Floor, Lodha Supremus II, Road No. 22, Wagle Estate, Thane - 400604.
- 1.3 The objectives of the AFL ESOP 2026 are to create a variable pay structure for the employees, incentivize them in line with Company's performance, to retain and motivate senior and critical human resources and to promote long term commitment to the Company.
- 1.4 The Company strongly believes that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the organization. The underlying philosophy of AFL ESOP 2026 is to enable the Employees (*defined later*), present and future, to share the wealth that they help to create for the organization over a certain period of time.
- 1.5 The ESOP Scheme has been duly approved and authorized by the Board of Directors in accordance with the resolution dated September 18, 2026. The AFL ESOP 2026 has been adopted with effect from the date of approval of the shareholders of the Company and shall continue to be in force until its termination by the Committee (*defined later*) as per the provisions of Applicable Laws (*defined later*), or the date on which all of the Options (*defined later*) available for issuance under the AFL ESOP 2026 have been issued and exercised, whichever is earlier.
- 1.6 The Committee may subject to compliance with Applicable Laws, at any time alter, amend, suspend, or terminate the AFL ESOP 2026.

2. Definitions and Interpretations

2.1 Definitions

The terms defined in this AFL ESOP 2026 shall have the meanings herein specified, and terms not defined in this AFL ESOP 2026 shall have the meanings as defined in the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), the Securities Contracts



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(Regulation) Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"), or in any statutory modifications or re-enactments thereof, as the case may be. It is clarified here that, the provisions of the SEBI Act, SEBI ICDR Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI SBEB Regulations shall be applicable only to AFL ESOP 2026, if the securities of the Company shall get listed on any recognised stock exchange of India.

- i. **"Statement"** means the Employee Stock Option Statement between the Company and the Option Grantee evidencing the terms and conditions of an individual Employee Stock Option. The Statement shall be subject to the conditions of AFL ESOP 2026.
- ii. **"Applicable Law(s)"** means the laws relating to Options by whatever name called, including and without limitation to the Companies Act, 2013, the SEBI Act, the SEBI SBEB Regulations, and includes any statutory modification or re-enactments thereof and relevant tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction or of any recognized stock exchange on which the Equity Shares are listed or quoted.
- iii. **"Associate Company"** means any present or future associate company of the Company.
- iv. **"Board"** means the Board of Directors of the Company.
- v. **"Committee/ Nomination and Remuneration Committee"** means the Nomination and Remuneration Committee ("NRC") or any other Committee, as constituted by the Board from time to time, to administer and supervise the AFL ESOP 2026 and other employee benefit plan/schemes, if any, comprising of such members of the Board as provided under Rule 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to act as a compensation committee under Regulation 5 of the SEBI SBEB Regulations.



- vi. **"Companies Act"** means the Companies Act, 2013 including rules framed thereunder and includes any statutory modifications or re-enactments thereof.
- vii. **"Company"** means 'ACE FURNACES LIMITED (formerly known as Ace Furnaces Private Limited)', a company registered in India under the provisions of the Companies Act, 1956 and other rules and regulations as framed thereunder from time to time (including modification, if any), having CIN: [U29242MH2014PLC253538] and having its registered office at Office No. 130, 1st Floor, Lodha Supremus II, Road No. 22, Wagle Estate, Thane - 400604.
- i. **"Company Policies / Terms of Employment"** mean the Company's policies for Employees and the terms of employment as contained in the employment letter and any other rules / bye laws issued or adopted by the Company from time to time.
- ii. **"Director"** means a director on the Board of the Company.
- iii. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
- iv. **"Employee (s)"** means
1. an employee of the Company (as designated by the Company) working exclusively in India or outside India; or
 2. a Director of the Company, whether whole-time or not, including a non-executive director but excluding promoter director or an Independent Director or a member of the promoter group; or
- v. **"Employee Stock Option" or "Option"** means an Option given to an Employee, which gives such Employee, the right, but not an obligation, to purchase or subscribe at a future date the Equity Shares underlying the Option offered by the Company at a pre-determined price.
- vi. **"Equity Shares"** means the equity shares of face value of INR 10/- (Rupees Ten) each of the Company, as amended or changed from time to time.



- vii. **"AFL ESOP 2026"** means the **"ACE FURNACES LIMITED (formerly known as Ace Furnaces Private Limited) Employee Stock Option Plan 2026"** under which the Company is authorized to grant Options to the Employees.
- viii. **"Exercise"** means the exercise of Options by any Employee by making an Exercise Application to the Company for issue of underlying Equity Shares against the Options vested in him, pursuant to AFL ESOP 2026, in accordance with the procedure laid down by the Company for the Exercise of Options.
- ix. **"Exercise Application"** means the application form or the letter of Exercise or such other documents as may be prescribed by the Committee from time to time in accordance with AFL ESOP 2026, in which an Employee has to apply to the Company for Exercise of Options in accordance with the procedure laid down by the Company for the Exercise of Options;
- x. **"Exercise Period"** means such a time period after Vesting within which the Employee can Exercise his/her right to apply for the Equity Shares against the Options vested in pursuance of the AFL ESOP 2026.
- xi. **"Exercise Price"** means the price, if any, payable by an Employee in order to Exercise the Options granted to him in pursuance of the AFL ESOP 2026.
- xii. **"Grant"** means the process by which the Company issues Options to the Employees under the AFL ESOP 2026.
- xiii. **"Grant Date"** means the date of the meeting of the Committee in which the Grant of the Options to the Employees is approved.
- xiv. **"Grant Letter"** means the letter by which the Grant is communicated to the Option Grantee.
- xv. **"Holding Company"** means any present or future holding company of the Company.
- xvi. **"Independent Director"** means a Director within the meaning of Section 149(6) of the Companies Act read with the regulation 16(1)(b) of the Securities Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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- xvii. **"Key Managerial Personnel"** bears the meaning assigned to the term in Section 2(51) of the Companies Act, 2013;
- xviii. **"Misconduct"** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or Terms of Employment amounting to violation or breach of Terms of Employment as determined by the Committee after giving the Employee an opportunity of being heard, wherever required:
- a) committing of any act warranting summary termination under law; or
 - b) conduct which in the reasonable opinion of the Committee amounts to a serious breach by an Option Grantee of the obligation of trust and confidence to his employer; or
 - c) a finding by the Committee that an Employee has committed any material or consistent breach of any of the terms or conditions of the Employee service agreement including any wilful neglect of or refusal to carry out any of his duties or to comply with any instruction given to him by the Committee; or
 - d) being convicted of any criminal offence; or
 - e) being disqualified from holding office in the Company or any other company under any legislation or being disqualified or disbarred from membership of, or being subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the Committee in the individual's continued employment; or
 - f) having acted or attempted to act in any way which in the opinion of the Committee has brought or could bring the Company or any other member of the group into disrepute or discredit;
 - g) breach or violation of any Company Policies/ Terms of Employment; and
 - h) Any other act or omission not included above but defined as misconduct in the Company's rules or Employee handbook and / or employment agreement and/or appointment letter.



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- xix. **"Option Grantee"** means an Employee who has been granted an Option in pursuance of the AFL ESOP 2026 and who has accepted such Grant as required under the Plan and having a right but not an obligation to Exercise the Options.
- xx. **"Permanent Disability"** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee could perform immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by such Committee.
- xxi. **"Plan"** means and refers to AFL ESOP 2026 defined hereof.
- xxii. **"Promoter"** has the same meaning assigned to it under Regulation 2(1) (oo) of the SEBI ICDR Regulations.
- xxiii. **"Promoter Group"** shall have the same meaning assigned to it under Regulation 2(1) (pp) of the SEBI ICDR Regulations.
- xxiv. **"Retirement"** means retirement as per the rules of the Company.
- xxv. **"SEBI Act"** means the Securities and Exchange Board of India Act, 1992 as amended, and includes all regulations and clarifications issued there under.
- xxvi. **"SEBI ICDR Regulations"** the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
- xxvii. **"SEBI SBEB Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and includes all regulations and clarifications issued thereunder.
- xxviii. **"Total Option Pool Size"** bears the meaning assigned to it at Clause 3.1.
- xxix. **"Unvested Option"** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.



- xxx. **"Vesting"** means the process by which the Employee becomes entitled to receive the benefit of a Grant made to him/ her under the AFL ESOP 2026.
- xxxi. **"Vesting Condition"** means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxii. **"Vesting Period"** means the period during which the Vesting of the Option granted to the Employee in pursuance of the AFL ESOP 2026 takes place.
- xxxiii. **"Vested Option"** means an Option in respect to which the relevant Vesting Conditions have been satisfied, and the Option Grantee has become eligible to Exercise the Option.

2.2 Interpretation

In this Plan, unless contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation.
- b) a reference to a clause number is a reference to its sub-clauses.
- c) words in singular number include the plural and vice versa.
- d) words importing a gender include any other gender.
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

3. Authority and Ceiling

- 3.1 The total number of Shares to be granted under this Scheme shall be 5% of the paid-up share capital of the Company as on the date of the Grant Option, or such other number as determined by the Board from time to time and approved by the members in a general meeting by passing a Special Resolution ("**Total Option Pool Size**").
- 3.2 Under AFL ESOP 2026, the Company will issue its fresh Equity Shares when the Vested Options are exercised by the Option Grantees. These Equity Shares shall be allotted to the



Option Grantees upon Exercise of the Vested Options by them, pursuant to this Plan and the Grant Letters.

- 3.3 The maximum number of Options that may be granted per Employee and in aggregate shall be decided by the Committee depending upon the designation and the appraisal/ assessment process. The Committee shall also decide if the Employee is categorized under Employee. However, the Grant of Options to identified Employees, shall not, at any time exceed the Total Option Pool Size approved by the shareholders for AFL ESOP 2026.
- 3.4 Options that expire / lapse / get cancelled shall become available for future Grants, subject to compliance with all the Applicable Laws.
- 3.5 If the number of Options that may be offered to identified Employees, during any one year, is equal to or more than 1% (one percent) of the issued equity share capital (excluding outstanding warrants & conversions) of the Company at the time of grant of Options, then the Company shall take separate prior approval from members of the Company by way of a special resolution.
- 3.6 The Grant of Options to non-resident Option Grantees, if applicable, shall be in compliance with Applicable Laws, including the Foreign Exchange Management Act, 1999, read with rules and regulations thereunder as amended from time to time.
- 3.7 In case of a sub-division of the face value of Equity Shares, the maximum number of equity shares available to be allotted under the Plan shall stand modified to ensure that the cumulative value (no. of equity shares multiplied by the face value per equity share) prior to such sub-division remains unchanged after the sub-division.
- 3.8 In case of a consolidation of the face value of Equity Shares, the maximum number of equity shares available to be allotted under the Plan shall stand modified to ensure that the cumulative value (no. of equity shares multiplied by the face value per equity share) prior to such consolidation remains unchanged after the consolidation.
4. Administration
- 4.1 The AFL ESOP 2026 shall be administered by the NRC. All questions of interpretation of the AFL ESOP 2026 or any Option shall be determined by the NRC and such determination shall be final and binding upon all persons having an interest in the AFL ESOP 2026 or Option issued hereunder.



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

- (a) The quantum of Options to be granted under the AFL ESOP 2026 per Employee, subject to the ceiling as specified in Clause 3.1;
- (b) The Eligibility Criteria subject to which an Employee would become entitled to be granted options;
- (c) The Schedule for Vesting of Options;
- (d) Vesting Conditions;
- (e) The method for exercising the Vested Options;
- (f) The conditions under which the Option vested in Employees may lapse in case of termination of employment for misconduct;
- (g) The procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of a corporate action such as rights issues, bonus issues, sale of division, scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the vesting or exercise, sale of division and others. In this regard the following shall be taken into consideration by the NRC:
 - (i) the number and / or the Exercise Price of the Options shall be adjusted in a manner such that the total value of the AFL ESOP 2026 remains the same before and after such 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 Option Grantee
- (h) The procedure and terms for the Grant, Vest and Exercise of Option in case of Employees who are on long leave;



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- (i) Approve Statements, forms, writings and/or agreements for use in pursuance of the AFL ESOP 2026.
- (j) Frame suitable policies and systems to ensure that there is no violation of (i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and (ii) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any Employee.
- (k) Frame any other byelaws, rules or procedures as it may deem fit for administering AFL ESOP 2026.
- (l) The procedure for funding the exercising of Vested Options in case if the Company wants to provide loans to the employees, except for Key Managerial Personnel or Director of the Company, subject to Applicable Law.
- (m) The procedure for buy-back of specified securities issued under the SEBI SBEB Regulations and Companies Act if to be undertaken at any time by the company, and the applicable terms and conditions, including:
 - (i) permissible sources of financing for buy-back
 - (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and
 - (iii) limits upon quantum of specified securities that the company may buy-back in a financial year.
- (n) Decide all other matters that must be determined in connection with an Option under the Plan.
- (o) Such other acts as permitted under the Companies Act and the SEBI SBEB Regulations.

5. Eligibility and Applicability

- 5.1 Only the Employees of the Company, who have been identified by the NRC, shall be entitled to participate in this Plan (the “Eligible Employees”). The NRC will identify the Employees who should be granted Options under this Plan and accordingly, the Company would offer the Options to those identified Eligible Employees. In determining the eligibility of any Employee, the NRC shall consider such factors as it may deem relevant for the



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purpose. The criteria for determining the eligibility of an Employee to receive Options may be prescribed and / or revised from time to time at the discretion of the NRC.

5.2 The Plan shall be applicable to the Company, its Subsidiaries and associates thereof and Stock Options may be granted to the Employees and Directors of the Company as determined by the NRC at its own discretion.

5.3 The process for determining the eligibility of the Employees will be based on Levels / designation, period of service, criticality of the role, performance linked parameters such as individual performance; company performance and such other criteria as may be determined by the NRC at its sole discretion, from time to time.

6. Grant and Acceptance of Grant

6.1 Grant of Options

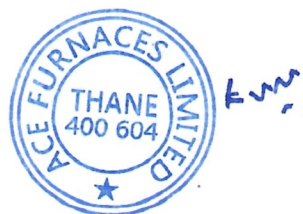
(a) Grants contemplated under the Plan shall be made on such day and month as decided by the NRC at its discretion.

(b) Grant of Options shall be evidenced by the Agreement/ letter in such form, as the NRC shall from time to time determine. Such Agreement/letter shall be deemed to incorporate all the terms of the AFL ESOP 2026, as if the same were set out therein. In the event of inconsistency between the Agreement/letter and the AFL ESOP 2026, the AFL ESOP 2026 shall prevail.

(c) Unless otherwise provided by the NRC at the time when the Options are granted, the Options granted to an Employee shall be subject to the terms and conditions set forth in this Plan and the Statement as approved by the NRC.

6.2 Acceptance of Grant

Any eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of the letter of Grant on or before the date ("Closing Date") which shall not be more than 30 days from the date of the Grant, as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the eligible Employee will become an Option Grantee.



Any eligible Employee, who fails to deliver the signed acceptance of the letter of Grant on or before the Closing Date stated above, shall be deemed to have rejected the Grant unless the NRC determines otherwise.

7. Vesting Period, Schedule and Conditions

- 7.1 There shall be a minimum Vesting Period of 1 year.
- 7.2 Options granted under AFL ESOP 2026 for Employees shall vest every year up to a max of two years or such longer period as may be decided by the board from the date of Grant and further as defined in their respective vesting schedule.
- 7.3 Vesting of Options would be subject to continued employment with the Company. However, the NRC may also, if it feels necessary in any or in all cases at its discretion, specify certain performance parameters linked to loyalty, moral, work ethics or any other such parameters at corporate, individual or any combination – subject to which the Options would vest.
- 7.4 As a prerequisite for a valid Vesting, a Grantee is required to be in employment or service of the Company on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on such date of Vesting and shall further be subject to the conditions mentioned in Clause 8.4.
- 7.5 The specific Vesting schedule and Vesting Conditions subject to which Options would vest would be detailed in writing and provided to the Option Grantee at the time of the Grant of Options.
- 7.6 Upon vesting the Grantee shall exercise its option within 1 year from the date on which options have been vested.

8. Exercise

8.1 Exercise Price

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

- a) Post listing at a price as may be decided by the NRC; or



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- b) Prior to listing, at a price equal to the per share price determined by an independent valuer for the Equity Shares of the Company or at fair value as may be decided by board.

8.2 Exercise Period

The Exercise Period in respect of an Option shall be subject to a maximum period of 1 year from the date of Vesting of Options unless otherwise determined by the NRC.

- 8.3 The Equity Shares arising out of Exercise of Vested Options would be subject to lock-in period of 2 years after such Exercise.

- 8.4 The Options can be Exercised as per the provisions outlined in the table below:

		Vested*	Unvested*
1	While in employment	Can be exercised within one year from the date of Vesting of Options unless otherwise determined by the NRC.	The options would continue to vest as per the original vesting schedule.
2	Resignation / Termination (other than due to misconduct or breach of company policies/terms of employment)	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee before his last working day with the Company unless otherwise determined by the NRC.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
3	Termination due to misconduct or due to material breach of policies or the terms of employment	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination. the date of such breach shall be determined by the NRC, and its decision on this issue shall be binding and final.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.



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4	Retirement or Superannuation/ Retirement approved by the Company	All Vested Options can be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such retirement unless otherwise determined by the NRC.	All Unvested Options will stand cancelled as on the date of such retirement, unless otherwise determined by the Board or the NRC whose determination will be final and binding.
5	Death	All Vested Options may be Exercised by the Option Grantee's nominee immediately after, but in no event later than six months from the date of Death unless otherwise determined by the NRC.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee immediately after, but in no event later than six months from the date of Death.
6	Termination due to Permanent Incapacity	All Vested Options may be Exercised by the Option Grantee or, in case of his death, or inability to exercise due to such incapacity, the nominee immediately after, but in no event later than six months from the date of such incapacity unless otherwise determined by the NRC.	All the Unvested Options as on the date of such permanent incapacity shall vest immediately and can be exercised by the Option Grantee or, in case of his death, or inability to exercise due to such incapacity, the nominee immediately after, but in no event later than six months from the date of termination of employment of the Option Grantee.
7	Other Reasons Apart from those mentioned above	The NRC will decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Option's on the date of separation shall stand cancelled with effect from that date.

8.5 In the event of abandonment of employment by an Option Grantee without the Company's consent, all the Options granted to such an Option Grantee, including the Vested Options, which were not exercised at the time of abandonment of employment, shall stand terminated with immediate effect. The NRC, at its sole discretion, shall decide the date of abandonment by the Option Grantee and such decision shall be binding on all concerned.

8.6 In the event of an Employee being transferred or deputed amongst the Company, and its Subsidiaries or associate company, at instance of or with consent of the Company, the



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Option Grantee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest as per the Vesting schedule.

8.7 The Options shall be deemed to have Exercised when an Employee makes an Exercise Application in writing to the Company or by any other means as decided by the NRC, for the issue of Equity Shares against the Options vested in him, subject to payment of Exercise Price and compliance of other requisite conditions of the exercise.

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

8.9 Lapse of Options

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

8.9.2 The amount paid by the Employee, if any, at the time of Grant, Vesting or Exercise of Option:

- (a) may be forfeited by the Company if the Option is not exercised by the Employee within the Exercise Period; or
- (b) may be refunded to the Employee if the Options are not Vested due to non-fulfilment of conditions relating to Vesting of Option as per the Plan.

9. Lock-in

Subject to provisions of the applicable laws, the Equity Shares arising out of Exercise of Vested Options shall be subject to lock-in period of 2 (two) years from the date of allotment of such Equity Shares under AFL ESOP 2026.

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



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10. Appointment of Nominee

An Option Grantee may by written notice appoint a person as his nominee(s) for the purpose of exercising the rights in case of death of the Option Grantee, subject to the obligations, in terms of AFL ESOP 2026. The Option Grantee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. In the event no nomination has been made by the Option Grantee then the legal heirs of the Option Grantee shall be entitled to the Options as per the provisions of AFL ESOP 2026.

11. Surrender of Options

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

12. Other Terms and Conditions

12.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Equity Shares covered by the Grant unless the Option Grantee exercises the Option and becomes a registered holder of the shares of the Company.

12.2 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with Clause 4.2 (g) of AFL ESOP 2026. Only if the Options are vested and exercised and the Option Grantee is a valid holder of the Equity shares of the Company, the Option Grantee would be entitled for bonus or rights shares as shareholder of the Company.

12.3 No person other than the Employee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the death of the Option Grantee.

12.4 The Option shall not be transferred, pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.

13. Tax Liability

13.1 The liability of paying taxes if any, in the Employee Stock Option granted pursuant to this Scheme and the shares issued pursuant to exercise of rights shall be entirely on Option



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Grantee holder and shall be in accordance with the provisions of Income Tax Act, 2025 (as it may be amended or supplemented from time to time, together with any statutory modifications or re-enactment thereof or retrospective amendment or any new Tax Law or Tax Code by repealing the existing Income Tax Act, 2025, and with all applicable bye-laws, Rules, Regulations, orders, circulars, notifications, ordinances, instructions, directions and the like issued thereunder)

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

14. Authority to vary terms

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

15. Miscellaneous

15.1 Government Regulations

This AFL ESOP 2026 shall be subject to all Applicable Laws, and approvals from governmental authorities. The Grant and the allotment of Equity Shares under this AFL ESOP 2026 shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

15.2 Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any



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

- 15.3 The Grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company gives such person any right or entitlement to have an Option granted to him in respect of any number of Equity Shares or any expectation that an Option might be granted to him whether subject to any condition or at all.
- 15.4 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Option on any other occasion.
- 15.5 The rights granted to an Option Grantee upon the Grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 15.6 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he/she may suffer by reason of being unable to exercise an Option in whole or in part.
- 15.7 Participation in the AFL ESOP 2026 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone.
- 15.8 The existence of the AFL ESOP 2026 and the Grants made hereunder shall not in any way affect the right or the power of the Board or the shareholders of the Company to make or authorise any change in the capital structure, including any issue of Equity shares, debt or other securities having any priority or preference with respect to the Equity Shares or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the AFL ESOP 2026 or any Grant made under the AFL ESOP 2026. No Employee or other person shall have any claim against the Company as a result of such action.



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15.9 The Company shall not make any fresh Grant under this Plan unless the Plan is ratified by its Shareholders subsequent to the IPO.

15.10 The Company shall follow the requirements including the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.

16. Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this AFL ESOP 2026 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by the Option Grantee to the Company in respect of AFL ESOP 2026 shall be sent to the address mentioned below:

ACE FURNACES LIMITED (formerly known as Ace Furnaces Private Limited), at
Registered office of the Company situated at :
Office No. 130, 1st Floor, Lodha Supremus II, Road No. 22,
Wagle Estate, Thane (West), Maharashtra - 400604

17. Governing Law and Jurisdiction

17.1 The terms and conditions of the AFL ESOP 2026 shall be governed by and construed in accordance with the laws of India.

17.2 The Courts of Mumbai, Maharashtra India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this AFL ESOP 2026.

17.3 All claims, disputes and differences between the Parties arising out of or in connection with AFL ESOP 2026 will be decided in accordance with the provisions of The Arbitration and Conciliation Act, 1996.

17.4 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this AFL ESOP 2026:

- (i) in any other court of competent jurisdiction; or
- (ii) Concurrently in more than one jurisdiction.



18. Confidentiality

- 18.1 An Option Grantee must keep the details of the AFL ESOP 2026 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peers, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this confidentiality Clause, the Company has undisputed right to terminate any agreement, and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality clause shall be final and binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the NRC shall have the authority to deal with such cases as it may deem fit.
- 18.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

-----End of Plan-----



K.V.V.