



HINDALCO INDUSTRIES LIMITED

CIN No: L27020MH1958PLC011238

Registered Office: Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road, Andheri (East), Mumbai- 400 093.
Tel: (91-22) 6691 7000, Fax: (91-22) 6691 7001, Email: hilinvestors@adityabirla.com, website: www.hindalco.com

NOTICE is hereby given that, the **Sixty-third** Annual General Meeting ('AGM') of the Shareholders of Hindalco Industries Limited ("the Company") will be held on Tuesday, 23rd August, 2022 at 03:00 p.m. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31st March, 2022 together with Report of the Directors and the Auditors thereon.
2. To declare Dividend on equity shares of the Company for the year ended 31st March, 2022.
3. **To appoint a Director in place of Mr. Kumar Mangalam Birla (DIN: 00012813) who retires by rotation and being eligible, offers himself for re-appointment.**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Kumar Mangalam Birla (DIN:00012813), who retires by rotation and being eligible, offers himself for reappointment, be and is hereby appointed as a Non-Executive Director of the Company, with the consent of the members of the Company, accorded under Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015."

4. **Appointment of Statutory Auditors of the Company**
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time

being in force), and pursuant to recommendation of Audit committee and Board of Directors, M/s. Price Waterhouse & Co. Chartered Accountants LLP (Registration No. 304026E/E-300009) be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the Sixty Eighth AGM to be held in the year 2027, at such remuneration, as may be mutually agreed between the Company and the Statutory Auditors from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution."

SPECIAL BUSINESS:

- 5 **To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2023 and in this regard to consider and if thought fit, to pass the following resolution, which will be proposed as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 18,00,000/- per annum (Rupees Eighteen Lakhs only) plus taxes, as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2023 to be paid to M/s R. Nanabhoy & Co., Cost Accountants, appointed by the Board of Directors of the Company to conduct audit of the cost records of the Company, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6 Adoption of the Hindalco Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder; Regulation 6 and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations"); the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; any rules, guidelines and regulations issued by the Reserve Bank of India and such other laws, rules and regulations (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) as may be applicable(collectively, the "Applicable Laws"), the relevant provisions of the Articles of Association of the Company and further subject to such other approvals, consent, permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed by the above authorities and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted committee, including the Nomination, Remuneration and Compensation Committee to exercise its powers conferred by this Resolution), consent of the Members be and is hereby granted for adoption of the 'Hindalco Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022' ("the Scheme 2022"), the salient features of which are furnished in the explanatory statement to the Notice and the same be implemented through the Hindalco Employees Welfare Trust ("the Trust").

RESOLVED FURTHER THAT consent be and is hereby granted to the Board to create, grant, offer and issue in one or more tranches under the Scheme 2022, at any time to or for the benefit of the employees of the Company, whether working in India or outside India, including any

managing or whole-time directors of the Company, its Group Company(ies), as defined in the SEBI SBEB & SE Regulations, including holding / subsidiary or associate company (ies), such number of stock options (comprising of options and / or performance stock units, as the case may be) (the "Stock Options") exercisable into not more than 1,68,28,000 equity shares of ₹ 1/- each ("Equity Shares") being 0.75% of the paid-up equity share capital of the Company as on 31st March, 2022 (or such other number adjusted in terms of Scheme 2022 as per applicable law), at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI SBEB & SE Regulations or other provisions of law as may be prevailing at that time.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other reorganisation of capital structure of the Company, as applicable from time to time, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure a fair and reasonable adjustment to the Stock Options granted earlier. Further, the above ceiling of 0.75% i.e., 1,68,28,000 Equity Shares shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares are either sub-divided or consolidated, then the number of equity shares to be transferred on exercise of Stock Options and the exercise price of Stock Options shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 1/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the Scheme 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorised to formulate, evolve, decide upon and implement the Scheme 2022 and determine the detailed terms and conditions of the aforementioned Scheme 2022 including but not limited to the quantum of the Stock Options to be granted per employee in each tranche, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Stock Options, to such employees and directors of the Company and its

group companies, including its holding / subsidiary and associate company (ies), at such time and on such terms and conditions as set out in the Scheme 2022 and as the Board may in its absolute discretion think fit, subject to applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the Scheme 2022 at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the Scheme 2022, as it may deem fit, from time to time or to suspend, withdraw or revive the Scheme 2022, from time to time in conformity with the provisions of the Act and rules made thereunder, the SEBI SBEB & SE Regulations and other applicable laws provided such variation(s), amendment(s), modification(s) or alteration(s) is not detrimental to the interest of the employees who have been granted Stock Options under the Scheme 2022.

7 To approve extending the benefits of the Hindalco Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 to the employees of the group companies including holding, Subsidiary and associate Companies of Company.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder; Regulation 6 and other applicable provisions, of any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations"); the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any rules, guidelines and regulations issued by the Reserve Bank of India and such other laws, rules and regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the

time being in force) as may be applicable (collectively, the "Applicable Law"), the relevant provisions of the and Articles of Association of the Company and further subject to such other approvals, consent, permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed by the above authorities, and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted committee, including the Nomination, Remuneration and Compensation Committee to exercise its powers conferred by this Resolution) consent of the Members be and is hereby accorded to the Board to extend the benefits and coverage of the Scheme 2022 (referred to in the Resolution under Item No. 6 of this Notice) to such persons who are in employment of any present and future group company of the Company including holding, associate and subsidiary company(ies) of the Company who is working in India or outside India, including any managing or whole-time director(s) (selected on the basis of criteria decided by the Board) under the Scheme 2022 in the manner mentioned in the Resolution under Item No. 6 of this Notice on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI SBEB & SE Regulations or other provisions of law as may be prevailing at that time.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper to settle any questions, difficulties or doubts that may arise in this regard."

8 To approve (a) the use of the trust route for the implementation of the Hindalco Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 ("Scheme 2022"); (b) secondary acquisition of the equity shares of the Company by the trust; and (c) grant of financial assistance / provision of money by the Company to the trust to fund the acquisition of its equity shares, in terms of the Scheme 2022

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 67 and other applicable provisions, if any, of

the Companies Act, 2013 ("the Act") and Rules made thereunder; and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations"); the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any rules, guidelines and regulations issued by the Reserve Bank of India and such other laws, rules and regulations (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) as may be applicable (collectively, the "Applicable Laws"), the relevant provisions of the Articles of Association of the Company and further subject to such other approvals, consent, permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed by the above authorities and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted committee, including the Nomination, Remuneration and Compensation Committee to exercise its powers conferred by this Resolution) consent of the Members be and is hereby accorded to the Board to:

- (a) implement the Hindalco Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 (the "Scheme 2022") through the Hindalco Employee Welfare Trust ("the Trust") in accordance with the SEBI SBEB & SE Regulations.
- (b) acquire, hold and deal in such number of equity shares of the Company, from the secondary market through the Trust, not exceeding 1,68,28,000 fully paid-up equity shares of the Company of face value of ₹1/- each (the "Equity Shares"), being below the ceiling of 5% of the paid-up equity share capital of the Company as on 31st March, 2022, as prescribed under the Applicable Laws.
- (c) extend an interest free financial assistance / provision of money to the Trust not exceeding ₹ 740 crores (rupees seven hundred and Forty crores only) in accordance with the Applicable Laws in one or more tranches, for acquisition of up to 1,68,28,000 Equity Shares of the Company from the secondary market through the stock exchanges, representing 0.75% of the paid-up equity share capital of the Company as on 31st March, 2022, for the

purpose of implementation of the Scheme 2022, in accordance with the provisions of the Act and Rules made thereunder and the SEBI SBEB & SE Regulations.

RESOLVED FURTHER THAT the Equity Shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed 2% of the paid-up equity share capital (or such other limit as may be prescribed under the SEBI SBEB & SE Regulations from time to time) as at the end of the financial year preceding the date of the intended acquisition.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other reorganisation of capital structure of the Company, the number of Equity Shares of the Company to be acquired from the secondary market by the Trust shall be appropriately adjusted and to give effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure a fair and reasonable adjustment to the Stock Options granted earlier. Further, the above ceiling of 0.75% equity shares shall be deemed to be increased to the extent of such additional Equity Shares issued

RESOLVED FURTHER THAT the financial assistance / money provided by the Company to the Trust shall be repayable to and recoverable by the Company from time to time during the term of the Scheme 2022 subject to exercise price being paid by the employees on exercise of stock options and performance stock units under the Scheme 2022.

RESOLVED FURTHER THAT the trustees of the Trust shall ensure compliance of the provisions of the SEBI SBEB & SE Regulations, the Act and all other applicable laws at all times in connection with dealing with the equity shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate such powers to any executives/ officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

9 To re-appoint Mr. Praveen Kumar Maheshwari (DIN:00174361) as Whole-time Director.

To consider and if thought fit, to pass the following resolution, which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the relevant provisions of the Articles of Association of the Company (hereinafter referred to as the "Articles") and the Companies Act, 2013 (hereinafter referred to as the "Act") including Section 160, Mr. Praveen Kumar Maheshwari (DIN No. 00174361) be and is hereby re-appointed as a Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Praveen Kumar Maheshwari shall cease to be a director of the Company if he ceases to be a Whole-time Director of the Company.

RESOLVED FURTHER THAT pursuant to Sections 196, 197, 198 and all other applicable provisions of the Companies Act, 2013, read with Schedule V thereto and the Rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the approval of the Central Government, if required, the re-appointment of Mr. Praveen Kumar Maheshwari as the Whole-time Director of the Company with effect from 28th May, 2022, be and is hereby approved, on the terms as to remuneration and otherwise as set out hereunder and with liberty to the Board (which term shall be deemed to include the Committee, if any, constituted by the Board from time to time) to alter the said terms and conditions in such manner as may be agreed to between the Board and Mr. Praveen Kumar Maheshwari in the best interests of the Company but subject to the restrictions, if any, contained in the said Act or otherwise as may be permissible at law

Terms and Conditions of appointment:

A. Period:

One Year w.e.f. 28th May, 2022 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

B. Remuneration:

- (a) Basic Salary ₹ 1,35,30,588/- (Rupees One Crore Thirty Five Lac Thirty Thousand and Five Hundred Eighty Eight only) per annum with such increments as the Board may decide from

time to time, subject however to a ceiling of ₹ 1,80,00,000/- (Rupees One Crore Eighty Lacs only) per annum as Basic Salary.

- (b) Special Allowance ₹ 1,49,81,016/- (Rupees One Crore Forty Nine Lac Eighty one Thousand and Sixteen only) per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 2,04,00,000/- (Rupees Two Crore Four Lacs only) per annum. This allowance however, will not be taken into account for calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave encashment.
- (c) Annual Incentive Pay: Performance Bonus linked to the achievement of targets, as may be decided by the Board from time to time, subject to a maximum of ₹ 4,00,00,000/- (Rupees Four Crore only) per annum.
- (d) Long-term Incentive Compensation (LTIC) including Employee Stock Option, Restricted Stock Units, Stock Appreciation Rights, Phantom Restricted Stock Units as per the Scheme applicable to the Executive Directors and/or Senior Executives of the Company and/or its Subsidiaries and/or any other Incentives applicable to Senior Executives of the Company/Aditya Birla Group, in such manner and with such provisions as may be decided by the Board, considering the above.

C. Perquisites:

- (a) Housing: Company provided (furnished/unfurnished) accommodation and / or HRA in lieu of company provided accommodation as per the Company's Policy.
- (b) House Maintenance: Reimbursement of expenses at actual pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation as per the Company's Policy
- (c) Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family (including domiciliary and medical expenses and insurance premium for medical and hospitalization policy as applicable), as per the Company's policy
- (d) Life Insurance: Life Insurance cover as per Company policy.
- (e) Accidental Insurance: Accidental insurance cover as per Company policy.

- (f) Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with policy of the Company.
 - (g) Car: Up to Two cars for use of the Company's Business, as per the Company's policy.
 - (h) Other Expenses: Entertainment, travelling and all other expenses incurred for the business of the Company as per policy of the company.
 - (i) Contribution towards Provident Fund and/or Superannuation Fund and/or National Pension Scheme or Annuity Fund as per the Company's Policy.
 - (j) Gratuity and /or contribution to the Gratuity Fund of the Company as per the Company's Policy.
 - (k) Club Membership: Fees of Two Clubs in India (including admission and annual membership fee).
 - (l) Other Benefits: Leave and related benefits as per the Company's policy.
 - (m) Other Allowances/benefits, perquisites: Any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and/ or which may become applicable in the future and/ or any other allowance, perquisites as the Board from time to time decide.
- D. Subject as aforesaid, the Whole-Time Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.
- E. For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the service of Mr. Praveen Kumar Maheshwari, will be considered as continuous service with the Company from the date of his joining the Aditya Birla Group.
- F. The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Sections 197, 198 and other applicable provisions of Companies Act, 2013 read with Schedule V thereto or otherwise as may be permissible at law.
- G. Though considering the provisions of Section 188 of the Companies Act 2013, and the applicable Rules thereunder, Mr. Praveen Kumar Maheshwari would not be holding any office or place of profit by his being a mere director of the Company's subsidiaries/Joint Ventures, approval be and is hereby granted by way of abundant caution for him to accept the sitting fees/ commission paid/payable to other directors for attending meetings of Board(s) of Directors/Committee(s) of subsidiaries/ Joint Ventures of the Company or companies promoted by the Aditya Birla Group.
- H. So long as Mr. Praveen Kumar Maheshwari functions as the Whole Time Director of the Company he shall not be subject to retirement by rotation.
- RESOLVED FURTHER THAT** if in any financial year, the Company has no profits or its profits are inadequate, the remuneration, including the perquisites as aforesaid, will be paid to Mr. Praveen Kumar Maheshwari in accordance with the applicable provisions of the Companies Act, 2013.

By Order of the Board of Directors
For Hindalco Industries Limited

Anil Malik
Company Secretary
Membership No.: A11197

Place: Mumbai
Date: 22nd July, 2022

ANNEXURE TO NOTICE

Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013

Item No.4:

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is not required as per Section 102 of the Act.

The Members at the Fifty-Eighth Annual General Meeting ("AGM") of the Company held on 13th September, 2017, had approved the appointment of M/s Price Waterhouse & Co. Chartered Accountants LLP with Firm (Registration No. 304026E/ E300009) (PWC), as Statutory Auditors of the Company, to hold office till the conclusion of the Sixty Third Annual General Meeting of the Company .

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on 22nd July, 2022, proposed the re-appointment of M/s Price Waterhouse & Co. Chartered Accountants LLP (Registration No. 304026E/ E300009), as the Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of Sixty-Third AGM till the conclusion of Sixty-Eighth AGM of the Company to be held in the year 2027, at a remuneration as may be mutually agreed between the Company and Statutory Auditors.

PWC have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

Item No. 5:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s R. Nanabhoy & Co, Cost Accountants, Mumbai, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2023.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost

Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the accompanying Notice, for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2023.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the said resolution.

Item nos. 6,7 and 8:

Adoption of the Hindalco Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 ("the Scheme 2022"); extending the benefits of the Scheme 2022 to employees of the group companies including holding, associate and subsidiary companies of the Company; approval for implementing the Scheme 2022 through the trust route, secondary acquisition of the equity shares of Company by the Trust and extending financial assistance /provision of money by the Company to the trust to fund the acquisition of its equity shares, in terms of the scheme 2022.

The Board of Directors ("Board") of the Company at its meeting held on 22nd July, 2022, based upon the recommendation of the Nomination and Remuneration Committee ("NRC Committee") approved adoption of the 'Hindalco Industries Limited Employee Stock Option and performance Stock Unit Scheme 2022' ("the Scheme-2022") for the benefit of the eligible employees of the Company, and its group Company(ies) including Subsidiary Company(ies), Associate Company(ies) and Holding Company (as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations").

The Company aims to provide competitive remuneration opportunities to its employees, including through annual incentive plans and long-term incentive plans. The Company believes that the presence of a long-term incentive plan and the resulting employee ownership can facilitate a performance driven culture and contribute to the success of the Company. The Company views stock options and units as long-term incentive instruments to enable the employees to share

the value they create for the Company in the years to come. Accordingly, the main objectives of the Scheme 2022 are:

- (i) to achieve sustained growth of the Company and create stakeholder value by aligning the interests of the employees with the long term interests of the Company;
- (ii) to attract and retain talent and as well as to motivate the employees to contribute to its growth and profitability;
- (iii) to recognise and reward the efforts of employees and their continued association with the Company and its Group Companies including associate company(ies) and Subsidiary Company(ies) and Holding Company; and
- (iv) to promote the culture of employee ownership, to enable the employees to have greater involvement in the existing plans of the Company and provide them an opportunity to share in the future growth and profitability of the Company, which should lead to improved employee engagement, motivation and retention.

The Board has nominated the NRC Committee to be designated as the Compensation Committee for the administration and superintendence of the Scheme 2022 in accordance with the SEBI SBEB & SE Regulations. Approval of the Members is being sought for grant of employee stock options ("Options") and / or performance stock units ("PSUs") (collectively "Stock Options") to the eligible employees as may be determined by the NRC Committee.

The Scheme 2022 shall be implemented through the Hindalco Employees Welfare Trust ("The Trust") The Trust will acquire Equity Shares of the Company through secondary acquisition such that the secondary acquisition in a financial year shall not exceed 2% of the paid-up equity share capital of the Company

as at the end of the previous financial year. Further, in terms of the SEBI SBEB & SE Regulations, the total Equity Shares to be held by the trust shall not exceed 5% of the paid-up equity share capital as at the end of the financial year immediately prior to the year in which the shareholder approval is obtained. As at 31st March, 2022, 5% of the paid-up equity share capital of the Company comprises of 11,23,58,636 Equity Shares.

In accordance with the SEBI SBEB & SE Regulations, approval of Members by way of special resolution is required to be passed, for adoption of the Scheme 2022 which is being implemented through a trust, extending the benefits of the Scheme 2022 to eligible employees of the group company(ies) including subsidiary company(ies), associate company(ies) and holding company and for provision of financial assistance / provision of money for secondary acquisition of equity shares of the company by the Trust. Accordingly, separate resolutions are being passed for the above.

Upon approval of the Members and after complying with the procedural and statutory formalities, the Trust is empowered to acquire in one or more tranches, upto 1,68,28,000 Equity Shares of the Company from the secondary market through the stock exchanges, representing 0.75% of the paid-up equity share capital of the Company as on 31st March, 2022, for the implementation of the Scheme 2022.

The Company will provide financial assistance / provision of money to the Trust up to ₹ 740,00,00,000 (Rupees Seven Hundred and Forty Crores only) in one or more tranches. The financial assistance / provision of money shall be interest free and will be utilised for implementation of the Scheme 2022. As and when the exercise price is recovered from the employees upon exercise of options, the Trust shall repay the money to the Company.

The relevant disclosures, as required, under Section 67 read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and under the SBEB & SE Regulations and other applicable laws are as follows.

No.	Particular	Detail
(a)	A brief description of the scheme	The Company aims to provide competitive remuneration opportunities to its employees, including through annual incentive plans and long-term incentive plans. The Company believes that the presence of a long-term incentive plan and the resulting employee ownership can facilitate a performance driven culture and contribute to the success of the Company. The Scheme 2022 is being implemented through the Hindalco Employees Welfare Trust ("the Trust").
(b)	The total number of Stock Options to be granted	The aggregate number of Stock Options proposed to be granted under the Scheme 2022, shall not be exercisable into more than 1,68,28,000 equity shares equivalent to 0.75% of the overall ceiling of Equity Shares to be issued under the Scheme 2022 (which number shall be adjusted in lieu of adjustments/ re-organisation of capital structure of the Company from time to time). Upon exercise, each Stock Option entitles the relevant grantee to one Equity Share (i.e. one Option will entitle the grantee to one Equity Share and one PSU will entitle the grantee to one Equity Share).

		<p>In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, split or consolidation and others, a fair and reasonable adjustment needs to be made to the Stock Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the grantees for making such fair and reasonable adjustment, the ceiling of 1,68,28,000 Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued. Stock Options not vested due to non-fulfilment of the vesting conditions, vested Stock Options which the grantees expressly refuse to exercise, Stock Options (vested and not exercised and unvested) which have been surrendered and any Stock Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Stock Options or the underlying Equity Shares will be available for grant under the present Scheme 2022 or under a new scheme, subject to compliance with applicable laws.</p>
(c)	<p>Identification of classes of employees entitled to participate and be beneficiaries in the Scheme -2022 and money is being provided for Purchase of shares.</p>	<p>(a) An employee as designated by the company, who is exclusively working in India or outside India; or</p> <p>(b) A director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or</p> <p>(c) An employee as defined in sub-clauses (a) or (b) above, of a group company including subsidiary company or its associate company, in India or outside India, or of a holding company of the Company,</p> <p>but does not include—</p> <p>(1) an employee who is a promoter or belongs to the promoter group;</p> <p>(2) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% (ten percent) of the outstanding equity shares of the Company.</p>
(d)	<p>Requirements of vesting and period of vesting</p>	<p>The Board or the NRC Committee may, at its discretion, lay down certain criteria including, but not limited to, the performance metrics which would include profitability, revenue, ESG metric or any other strategic metric as may be decided, on the achievement of which the granted Options would vest and which may be specified in the respective grant letters or the vesting letters to be issued in this regard.</p> <p>The Board or the NRC Committee shall lay down certain criteria including, but not limited to, the performance metrics which would include profitability, revenue, ESG metric or any other strategic metric as may be decided, on the achievement of which the granted PSUs would vest and which may be specified in the respective grant letters or the vesting letters to be issued in this regard.</p> <p>Vesting of Stock Options shall be subject to, amongst other things:</p> <p>(A) the condition that a minimum of one year has completed from grant date, except in case of death or permanent incapacity of the grantee, in which case the Stock Options, as the case may be, shall vest immediately, and</p> <p>(B) the condition that the grantee is:</p> <p>(i) in continuous employment with the Company or group company(ies) including subsidiary company (ies) or associate company(ies) or holding company;</p> <p>(ii) is not serving any notice of resignation / termination on the date of such vesting (except in case of (a) death of employee (b) permanent incapacity suffered by the grantee; (c) retirement; or (d) transfer or deputation to a group company, including holding company, subsidiary company, or an associate company); and</p>

		<p>(iii) is not subject to any pending disciplinary proceeding.</p> <p>In case of cessation of employment due to retirement or superannuation, Stock Options granted to such employees would continue to vest in accordance with the respective Vesting Schedules even after retirement or superannuation, subject to the discretion of NRC Committee, and in accordance with the Company's policies, and Applicable Laws.</p> <p>Vesting Period for Stock Options: The Stock Options granted shall vest not earlier than one year in one or more tranche and not later than four years from the date of grant for Stock Options or such other period as may be determined by the NRC Committee. The vesting schedule (i.e. exact proportion in which and the exact period over which the Options would vest) would be determined by the NRC Committee, subject to the minimum vesting period of one year from the date of grant of Stock Options (except in case of death and permanent incapacity).</p>
(e)	The maximum period within which the Stock Options shall be vested.	4 (four) years
(f)	Exercise price	<p>Exercise price for Options: The Equity Shares to be transferred pursuant to the exercise of the Options would be transferred at the market price of the equity shares at the time of grant of Options or at such other price as may be decided by the NRC Committee from time to time in compliance with the SEBI SBEB & SE Regulations. Provided that the exercise price per Option shall not be less than the face value of the equity share of the Company</p> <p>Exercise price for PSUs: Upon exercise of the PSUs the Equity Shares may be transferred at face value of the equity share of the Company or at such price as may be determined by the Board or NRC Committee provided that the exercise price per PSU shall not be less than the face value of the equity share of the Company.</p>
(g)	Exercise period and process of exercise	<p>The exercise period shall not be more than a period of five years from the date of vesting of Stock Options or such other period as may be determined by the NRC Committee, subject to applicable law.</p> <p>The Stock Options will be exercisable by the employees through a written application to the Company / Trust accompanied by payment of the exercise price in such manner and on execution of such documents, as may be prescribed by the NRC Committee from time to time. The Stock Options will lapse if not exercised within the specified exercise period.</p>
(h)	The appraisal process for determining the eligibility of employees for the scheme	The appraisal process for determining the eligibility criteria of the employees will be specified by the NRC Committee, and will be based on criteria such as role/level of the employee, past performance record, future potential of the employee, and/or such other criteria that may be determined by the NRC Committee at its sole discretion.
(i)	The maximum number of Stock Options to be issued per employee and in aggregate.	<p>The maximum number of Stock Options and PSUs that can be granted to single employee under the Scheme 2022 shall not exceed 1 % of the paid – up equity share capital of the Company at the time of grant.</p> <p>The maximum number of Stock Options and PSUs that can be granted in aggregate is 1,68,28,000 equity shares, being 0.75 % of the paid-up equity share capital of the Company as on 31st March 2022.</p>
(j)	The maximum quantum of benefits to be provided per employee under a scheme.	Apart from grant of Stock Options and PSUs as stated above in item (i), no monetary benefits are contemplated under the Scheme 2022.