

Tata Technologies Limited

Share based Long Term Incentive Scheme 2022

This Tata Technologies Limited Share based Long Term Incentive Scheme 2022 (TTL SLTI Scheme 2022) (hereinafter referred to as “**TTL SLTI Scheme 2022**” or “**the Plan**”) has been formulated and approved by the Nomination and Remuneration Committee (“NRC” or “the Committee”) on 31st May 2022 of **Tata Technologies Limited (“the Company”)** and approved by the Board of Directors of the Company on 31st May 2022. The Plan will be reviewed by the Shareholders of the Company by way of resolutions passed at their Annual General Meeting on 1st July 2022.

The Plan has been formulated in accordance with the Applicable Laws and shall be subject to any modifications or amendments or re-enactments thereof and as required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, has been ratified by the shareholders of the Company on March 15, 2024.

1. Name and Objective and Term of the Plan

1.1 This Plan shall be called “**TTL SLTI Scheme 2022**” or “**the Plan**”).

The Plan shall be subject to such regulatory approvals as may be required from time to time and shall be in accordance with the Applicable Laws for the time being in force.

The Board may subject to compliance with Applicable Law (as defined hereinafter), at any time alter, amend, suspend or terminate the TTL SLTI Scheme 2022.

1.2 The objectives of the Plan are:

- i. Performance based incentives in the form of shares to drive a performance culture in the Company. The rewards will be based on achievement of long term targets.
- ii. To attract, motivate and retain appropriate human talent in the employment of the Company by offering competitive compensation.
- iii. To achieve sustained long-term growth of the Company and the creation of shareholder value by aligning the interests of the employees with the long-term interests of the Company; and
- iv. To create a sense of ownership and collaboration amongst the key talent or otherwise increase their proprietary interest.

1.3 The TTL SLTI Scheme 2022 is established with effect from 15th July 2022 and shall continue to be in force until (i) its termination by the Board (as defined hereinafter) in due compliance with the provisions of the Applicable Laws, or (ii) the date on which all the Options (as defined hereinafter) available for issuance under TTL SLTI Scheme 2022

have been issued and Exercised (as defined hereinafter) or have been cancelled or lapsed or surrendered under TTL SLTI Scheme 2022 and the Board do not intend to re-issue these cancelled or lapsed or surrendered Options. The NRC would have the right to decide on the date of issuing the grants post the scheme coming into effect.

2. Definitions and Interpretation

The terms defined in this section shall, for all purposes of this Plan, have the meanings herein specified. Under the Plan, where the context so admits, the masculine shall include the feminine and the singular shall include the plural.

- 2.1 **“Act”** shall mean the Companies Act, 2013, rules made thereunder, and includes any or any other statutory modifications or re-enactments thereof.
- 2.2 **“Applicable Laws”** shall mean and include every law, rule, regulations or bye-law relating to the employee stock options and Performance Shares, including, without limitation, the Companies Act, 2013, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Income Tax Act, 1961, Foreign Exchange Management Act, 1999 (FEMA) to the extent applicable or such other applicable laws including any amendment thereto and all other relevant tax, securities or corporate laws, rules, regulations or bye- laws of India, or of any stock exchange on which the equity shares of the Company are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws;
- 2.3 **“Board of Directors”** or **“Board”** shall mean the Board of Directors for time being of the Company which includes any Committee(s) authorized by the Board of Directors in this behalf.
- 2.4 **“Cause”** shall mean (i) engaging by an Employee in wilful, reckless or grossly negligent misconduct which is determined by the NRC to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, or (ii) an Employee 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 an Employee in any other organization or provision of services by an Employee to any other organization during employment with the Company, or (v) any other reason which is determined by the NRC to be detrimental to the interest of the Company.

- 2.5 **“Class A Stock Options”** shall mean “Performance Stock Option (PS)” to be determined by dividing “Eligible Compensation to Employee” with “Fair Market Value” of Shares.
- 2.6 **“Class B Stock Options”** shall mean “Employee stock option plan (ESOP)” to be determined which is 2.4 times of Class A Stock Options granted.
- 2.7 **“Company”** shall mean Tata Technologies Limited and any successor or assigns.
- 2.8 **“Corporate Action”** means one of the following events:
- a) issue of shares, including bonus or rights issue;
 - b) issue of ADR/GDR or other permissible instruments in or outside India;
 - c) stock split / consolidation;
 - d) merger, de-merger, spin-off, sub-division, consolidation, amalgamation, sale of business (except to a subsidiary) or other reorganization of the Company in which all the Shares are converted into or exchanged for:
 - i. a different class of securities of the Company; or
 - ii. any securities of any other company; or
 - iii. cash; or
 - iv. other property.
- 2.9 **“Eligible Compensation to employee”** shall mean compensation which is calculated as a percentage (%) of Fixed Pay of the Employees as determined by NRC and mentioned in the Grant Letter subject to TTL SLTI Scheme 2022.
- 2.10 **“Employee”** means:
- (i) A permanent employee of the Company who has been working in India or outside India; or
 - (ii) a director of the Company, whether a whole-time director or not, but excluding an independent director; or
 - (iii) an employee as defined in sub-clauses (i) or (ii), of a subsidiary, in India or outside India, or of a holding company of the Company, but does not include—
 - a) an employee who is a promoter or a person belonging to the promoter group; or
 - b) a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company;

- 2.11 **“Employee Stock Option”** or **“Stock Option”** or **“Option”** shall mean the Class A Stock Options and / or Class B Stock Options granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price, subject to the requirements of Vesting in accordance with the Plan. Each Option granted represents the right to apply for 1 (one) Share of the Company.
- 2.12 **“Exercise Application”** shall mean the application form as may be prescribed by the Board / NRC, through which the Employee shall apply to the Company along with a cheque/demand draft/electronic payment as per the Exercise Price and payment of required perquisite tax / applicable tax, for Exercising the Vested Options.
- 2.13 **“Exercise”** of an Option or PS shall mean the making of a written Exercise Application by an Employee to the Company to purchase or subscribe to the Shares underlying the Vested Options or PS, in pursuance of TTL SLTI Scheme 2022, in accordance with the procedure laid down by the Company for exercise of Options.
- 2.14 **“Exercise Period”** shall mean the time period after Vesting within which the Employee should exercise his/her right to apply for shares against the Vested Options/PS in pursuance of TTL SLTI Scheme 2022.
- 2.15 **“Exercise Price”** shall mean the price payable by an Employee in order to Exercise the Vested Options/PS as may be stipulated by the Board / NRC.
- 2.16 **“Fair Market Value”** shall mean the latest available closing price on a recognised stock exchange on which the shares of the Company are listed on the date immediately prior to the date of Grant approval by the Board.
- Explanation — If such shares are listed on more than one recognised stock exchange, then the closing price on the recognised stock exchange having higher trading volume shall be considered as the market price
- 2.17 **“Fixed Pay”** shall mean the part of compensation as defined by NRC effective on the date of issuance of the grant.
- 2.18 **“Grant / Granted”** shall mean the process by which the Company issues Options/PS to the Employees under TTL SLTI Scheme 2022.
- 2.19 **“Grant Date”** shall mean the date on which the Options/PS are Granted to a Grantee by the Board / NRC under TTL SLTI Scheme 2022 through a Grant Letter.

Explanation - For accounting purposes, the grant date will be determined in accordance with applicable accounting standards.

- 2.20 **“Grantee”** shall mean an Employee who is the recipient of Grant Letter on the Grant Date in pursuance of a Grant.
- 2.21 **“Grant Letter”** shall mean the letter issued by the Company informing the Employee of the Options/PS Granted to him/her for acquiring a specified number of Shares and includes in respect of Grant.
- 2.22 **“Holding Company”** shall mean any present or future holding company of the Company as defined under the Act.
- 2.23 **“Lock-in Period”** shall mean the period during which the Employee shall not sell, pledge or otherwise transfer, directly or indirectly, any of his/her Shares or dispose-off any other interest in or over or right attaching to any of his/her Shares.
- 2.24 **“Nomination and Remuneration Committee” or “Committee” or “NRC”** means the Nomination and Remuneration committee constituted by the Board from time to time under the Applicable Laws.
- 2.25 **“Permanent Incapacity”** shall mean any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board / NRC based on a certificate of a medical expert identified by the Board / NRC.
- 2.26 **“Plan” or “TTL SLTI Scheme 2022”** Shall mean this Tata Technologies Limited Share based Long Term Incentive Scheme 2022 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- 2.27 **“Promoter / Promoter Group”** shall have the same meaning assigned to it under the Applicable laws.
- 2.28 **“Shares”** means equity shares of the Company.
- 2.29 **“Subsidiary Company”** shall mean any present or future subsidiary of the Company, as defined under the Act.
- 2.30 **“Termination”** means cessation of employment of the employee from the Company including holding or subsidiary, in India or outside India, as applicable.
- 2.31 **“Unvested Option”** means Option(s) 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.

- 2.32 “**Vesting**” shall mean the process by which the Employee becomes entitled to receive the benefit of a Grant made to him in pursuance of TTL SLTI Scheme 2022.
- 2.33 “**Vesting Condition**” shall mean any condition that may be stipulated by the Board / NRC for Vesting of Options pursuant to the TTL SLTI Scheme 2022.
- 2.34 “**Vested Option**” shall mean Option(s) in respect of which the relevant Vesting Conditions have been satisfied and the Grantee has become eligible to Exercise the Option.
- 2.35 “**Vesting Period**” shall mean the period during which the Vesting of Options takes place and relevant Vesting Conditions need to be satisfied.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Applicable Laws for the time being in force and shall be subject to any modifications or amendments or re-enactments thereof effected from time to time by way of an ordinance or legal enactment.

2.2 Interpretations

In this Plan, 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 here of;
- d. a reference to a Clause or a Sub-Clause, unless otherwise specified, is a reference to a Clause or Sub-Clause as the case may be of this Plan; and
- e. 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.

3. Eligibility

The Plan shall apply to the following class of Employees:

- a) **Class I:** Chief Executive Officer (CEO) and Executive Leadership Team (ELT) as may be decided at the discretion of NRC from time to time.
- b) **Class II:** Management Employees (other than covered under (a), as may be identified at the discretion of NRC from time to time.

4. Quantum of Shares subject to the Plan

- (a) The maximum aggregate number of Options that may be granted under the Plan, shall not exceed 28,00,000 Options, in one or more tranches, whereby each such Option, confers a right upon the Employee to apply for one (1) Share of the Company, in accordance with the terms and conditions of such issue. No single Employee shall be granted Stock Options exceeding 300,000 during one year. However, the aggregate number of Stock Options that may be granted to identified Employees under TTL SLTI Scheme 2022 shall be less than 1% of the paid-up equity share capital of the Company in any one year at the time of Grant, unless a separate specific approval from shareholders of the Company through special resolution is obtained for granting Options that are 1% or more of the paid-up equity share capital of the Company. Approval of shareholders by way of a separate special resolution shall also be obtained by the Company for Grant of Options to Employees of Holding / Subsidiary Company(ies). If all the Options that are granted are exercised, the dilution in existing paid-up share capital would be 0.55 % with possibility of upside leading to 120% vesting and dilution of 0.69%.
- (b) Where Shares are issued consequent upon Exercise of Option(s) under TTL SLTI Scheme 2022, the maximum number of Shares that can be issued under TTL SLTI Scheme 2022 as referred to in Clause 4(a) above will stand reduced to the extent of such Shares issued.
- (c) In case of stock consolidation or other reorganization of capital structure of the Company from time to time, the maximum number of Shares available for being Granted under TTL SLTI Scheme 2022 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such share consolidation or reorganization, as the case may be, remains unchanged after such share split, consolidation or reorganization of capital structure.
- (d) Options not Vested due to non-fulfilment of the stipulated conditions, Vested Options which the Employees have expressly refused to Exercise including surrender of Options and any Options that are Granted but not Vested or Exercised within the stipulated time due to any reasons, shall lapse and these Options will be available for Grant by the Board / NRC to any Employee(s) as it may deem fit in its absolute discretion, subject to the compliances of provisions of the Applicable Law. The terms relating to the Exercise Price, Exercise Period, Vesting, etc., in respect of such lapsed Options to be granted, as aforesaid, will be determined by the Board / NRC at the time of the Grant as it may deem fit in its absolute discretion, subject to the compliances of provisions of the Plan and Applicable Law.

5. Plan Administration

- (a) TTL SLTI Scheme 2022 shall be operated and administered by the Board either directly or through Trust. The Board may authorize NRC to operate and administer the TTL SLTI Scheme 2022 in accordance with the Applicable Laws. The NRC may further delegate its power to implement and administer the Plan to Chief Human Resource Officer of the Company or such other persons as may be determined by the NRC from time to time. The issuance of shares shall be under the guidance, advice and direction of Board.
- (b) The Board shall in accordance with TTL SLTI Scheme 2022 and Applicable Law, in its absolute discretion, *inter alia*, determine the following or grant NRC the right to determine:
 - (i) The Eligibility Criteria;
 - (ii) The quantum of Options to be Granted to each Employee under TTL SLTI Scheme 2022, subject to the ceiling as specified in Clause 4(a);
 - (iii) The time when the Options are to be Granted;
 - (iv) The number of tranches in which the Options are to be Granted and the number of Options to be granted in each such tranche.
 - (v) The number of Options, if any, reserved for Grant to new Employees who would join the services of the Company;
 - (vi) The Vesting and Exercise of Options in case of Grantee who has been transferred or whose services have been seconded to any other entity within the Group at the instance of the Company;
 - (vii) The Vesting Period, the Vesting schedule and the date of Vesting of the Options Granted;
 - (viii) The terms and conditions (including performance parameters) subject to which the Options Granted would be Vesting in the Employee;
 - (ix) The conditions under which Vested Options may lapse in case of termination of employment for fraud or misconduct;
 - (x) 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;
 - (xi) The specified time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee;
 - (xii) The right of an Employee to Exercise all the Vested Options at one time or at various points of time within the Exercise Period;
 - (xiii) The treatment of Unvested Options upon events including but not limited to, termination of employment or upon a director ceasing to hold office;
 - (xiv) The procedure for making a fair and reasonable adjustment in the case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues,

bonus issues, change in capital structure and/or others in accordance with Applicable Law;

- (xv) The procedure and terms for the Grant, Vesting and Exercise of Options in the case of Employees who are on long leave;
 - (xvi) approving forms (including the Exercise Application) for use in pursuance of TTL SLTI Scheme 2022;
 - (xvii) The procedure for surrender and cancellation of Options, if required;
 - (xviii) Obtaining permissions from and making periodic reports to regulatory authorities, as may be required and ensuring compliance with all Applicable Law;
 - (xix) Framing appropriate procedures and rules for Granting, Vesting and Exercise of Options and amending, altering, modifying or rescinding such procedures and rules from time to time;
 - (xx) Lay down a method for satisfaction of any tax obligation arising in connection with the Options and the Shares in compliance with Applicable Law;
 - (xxi) lay down the procedure for cashless Exercise of Options, if at all so intended by the Board;
 - (xxii) Finalize, approve and authorize executives of the Company to execute various agreements, deeds, writings, confirmations, undertakings, indemnities or other documents, as may be necessary, under the Common Seal of the Company, if any, or otherwise, with any party including legal advisors, accountants, share transfer agents, depositories, custodians, bankers and/or others for the purposes of TTL SLTI Scheme 2022 and accept modifications, changes and amendments to any such documents/agreements; and
 - (xxiii) To provide for any statutory, contractual, regulatory or such other matters as may be necessary for the administration and implementation of TTL SLTI Scheme 2022 in accordance with Applicable Law.
 - (xxiv) Amend the Grant Letter as per mutual agreement with the Grantee.
- (c) No Board member shall be personally liable for any decision or action taken in good faith with respect to TTL SLTI Scheme 2022.
- (d) The Board may formulate various sets of special terms and conditions under TTL SLTI Scheme 2022 to apply to an Employee (or his nominee / legal heir, as the case may be). Each of such sets of special terms and conditions under TTL SLTI Scheme 2022 shall be restricted in their application to such Employee (or his respective nominee/legal heir). The Board may also formulate separate sets of special terms and conditions to apply to each class or category of Employees (or their respective nominees/ legal heir) and each of such sets of special terms and conditions shall be restricted in its application to such class or category of Employees (or their respective nominees/legal heirs).

6. Grant of Options

- (a) TTL SLTI Scheme 2022 shall be applicable to the Company, its existing and future Holding and Subsidiary companies in India and abroad, and any successor company thereof and Options may be Granted to the identified Employees, as determined by the Board / NRC at its sole discretion.
- (b) The following types of Stock Options shall be granted under the TTL SLTI Scheme 2022 by the Board / NRC:
- Class A Stock Options:** The number of Stock Option to be granted under this Class shall be determined by dividing “Eligible Compensation to Employee” for the financial year at the time of Grant” with “Fair Market Value” of Shares.
 - Class B Stock Options:** The number of Stock Option to be granted under this Class shall be not more than 2.4 times of Class A Stock Options.

- (c) Class A Stock Options shall be granted by Board / NRC as per following Eligible Compensation of Employees:

- i. [REDACTED]:

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

- ii. **Class II:**

	Eligible Compensation
Management Employees	17.5% of Fixed Pay

- (d) Class I Employees shall be eligible for Class A and Class B Stock Options whereas Class II Employees shall be eligible for Class A Stock Options only.
- (e) NRC may grant stock options every year up to 3 years with vesting for each grant after 3 years from Grant Date. The Board / NRC may grant additional Stock Options to the above Employees at its discretion subject to achievement of defined company performance criteria and the condition that the total Stock Options granted to an Employee shall not exceed 120% of Stock Options granted.

- (f) The Employees identified for Grant of Options shall be furnished with:
 - (i) the Grant Letter.
 - (ii) nomination form and such other documents as may be prescribed by the Board/ NRC from time to time.
- (g) An Employee who wishes to accept the Grant made, must signify his/her acceptance in the manner specified by the Board / NRC within 30 (Thirty) days from the Grant Date. Any Employee, who fails to communicate his acceptance within the stipulated time, is deemed to have rejected the Grant unless otherwise determined by the Board/ NRC.
- (e) Each Stock Option will entitle the Employee to one Share.
- (f) Stock Options granted shall be advised to the Employee in the Grant Letter specifying the date, number of Stock Options granted, the Vesting of the Stock Option, the earliest date on which some or all of the Stock Options Vested shall be eligible for Exercise, and other conditions, if any, subject to which Vesting and Exercise shall take place, and the other terms and conditions thereof.
- (g) Grant of 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 NRC which shall not be inconsistent with the Plan and Applicable Laws:
 - i. No Employee shall have any right to demand from the Company for Grant of Options, nor shall the Company have any such obligation to any Employee.
 - ii. 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.
 - iii. Upon completion of the Vesting Period, the Employee shall have the right to subscribe to the Shares equivalent to the number of Options held. Even after the completion of the Vesting Period, the Employee will not be entitled to any dividends, rights issue or bonus Shares issued until such time as the Options are Exercised and Shares issued thereunder are allotted to the Employee.

7. Vesting Period and Terms

- (a) The Options granted to any Employee shall vest in the manner as set forth in the Grant letter subject to maximum period of 3 years from the date of grant.

Notwithstanding anything to the contrary contained herein, there shall be a minimum period of one year between the Grant of Options and Vesting of Options. The Vesting of Options shall be subject to any additional conditions as may be prescribed by the NRC in the Grant letter.



[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]



In case of non-achievement of relevant Performance Metrics in a defined period, the Options to the extent not Vested related to such year shall lapse forthwith.

- (b) Notwithstanding anything mentioned in Clause 7(a), in the event of the death of an Employee while in employment, all the Options granted to him/her till such date shall, whether or not such Options were exercisable on the date of the Employee's death, forthwith vest in the legal heirs or nominees of the deceased employee on that date and can be exercisable by them within the time period stated in Clause 12. Similarly, in the event of Permanent Incapacity while in employment, all the Options granted to an Employee as on the date of such Permanent Incapacity shall Vest, whether or not such Options were exercisable on the date of the Employee's Permanent Incapacity, forthwith and can be exercisable within the time period specified in Clause 12.

8. Exercise of Options

(a) Exercise Application:

The Grantee may, at any time during the Exercise Period, and subject to fulfilment of conditions of the Grant and Vesting, as applicable, Exercise the Options by submitting Exercise Application to the Company as the case may be, for issuance / allotment of Shares pursuant to the Vested Options, accompanied with the:

- i) payment of an amount equivalent to the Exercise Price in respect of such Shares; and/or
- ii) such other documentation as the Board / NRC may specify to confirm extinguishment of the rights comprising in the Options then Exercised, subject to Applicable Law.

The Exercise Application shall be in such form as may be prescribed in this regard by the Board / NRC.

(b) Exercise Price:

The Exercise Price for the eligible Employees under the Plan for each class of Stock Options will be:

- **Class A Stock Options:** Face Value of the share i.e., Rs.2 per share
- **Class B Stock Options:** Fair Market Value subject to such exercise price not lesser than the face value of shares.

The Exercise price will also be appropriately specified in the relevant Grant Letter given to the Grantee at the time of the Grant of Options.

- (c) Each Option entitles the holder thereof to apply for and be allotted one Equity Share, of the Company on the payment of the Exercise Price. The Vested Options can be exercised all at one time or at various points of time within the Exercise Period.

(d) Exercise Period:

The Options Vested in the Employee shall be capable of being Exercised in part or full within one year from the date of vesting as mentioned in the Grant Letter. The Exercise Period of one year may be extended by NRC for another one year at its discretion. The Options cancelled or lapsed or surrendered without being exercised will be available for further Grant under the plan.

In case, Employees decides to transfer the Shares which are allotted subsequent to above exercise, such shares can be transferred as per the terms determined by the Board / NRC or as per the terms of employment contract with the employee. Such transfer of shares shall be subject to the terms of articles of association of the Company and applicable laws.

9. Non-Resident Employees

Grant of Options under the Plan to Employees who are non-residents shall be in compliance with the provisions of the prevailing laws of the jurisdiction of such Employees subject to the same being in accordance with the provisions of the Foreign Exchange Management Act, 1999 and any other Applicable Laws.

10. Lock-in period

The Shares allotted upon exercise of Options granted under the Plan are not subject to any lock in period.

11. Variation of the terms of TTL SLTI Scheme 2022

- (a) The Company may by special resolution in a general meeting of shareholders vary the terms of the Plan offered pursuant to an earlier resolution of a general meeting of shareholders but not yet exercised by an Employee provided such variation is not prejudicial to the interests of the Option holders.
- (b) Shareholder's approval shall not be required in order to vary the terms of the Plan to meet/align with the regulatory requirements under Applicable Law.
- (c) The notice for passing special resolution for variation of terms of the Plan shall disclose full details of the variation, the rationale thereof, and the details of the Employees who are beneficiary of such variation.

12. Resignation or Termination of Employment

- (a) If an Employee's employment with the Company terminates for Cause, then the Options, to the extent not previously exercised (whether vested or otherwise), will lapse on the date of such termination of employment.
- (b) If an Employee's employment with the Company terminates due to voluntary resignation on the part of the Employee, then the Options not vested as on the date of termination shall lapse forthwith. If an Employee's employment with the Company terminates due to completion of his contract / retirement, Unvested Options eligible for Vesting in the year of completion of his contract / retirement shall vest on pro-rata basis calculated up to the date of termination subject to Clause 7; and all other Unvested Options shall lapse forthwith. The vested Options can be exercised by an Employee within the Exercise Period. For the purposes of this Clause, employment shall be deemed to have terminated on the last day of such Employee's employment with the Company.

- (c) Resignation on account of leaving the Company for joining any other Tata Group Company will be regarded as voluntary resignation and aforesaid provision relating to Unvested Options will apply *mutatis mutandis* and employee shall be eligible to only exercise vested options and subject to company performance parameters being met as per Clause 7 (a) above.
- (d) Employment termination due to transfer to any other Tata Group company shall be regarded as completion of contract where Unvested Options eligible for Vesting in the year of completion of his contract / retirement shall vest on pro-rata basis calculated up to the date of termination subject to Clause 7(a)
- (e) Notwithstanding anything mentioned in Clause 7(a), If an Option Grantee dies while in the employment of the Company, the Options Granted shall forthwith vest on the date of death in his legal heirs or nominees; and if an Option Grantee suffers Permanent Incapacity while in the employment of the Company, the Granted Options shall forthwith Vest in him / her on the date of Permanent Incapacity; and the Options must be exercised as below:
 - a. In case of death, within 1 (one) year from the date of death or such extended time provided by the NRC
 - b. In case of Permanent Incapacity, within 1 (one) year from the date of Permanent Incapacity or such extended time provided by the NRC.
- (f) In the event of a termination of employment for reasons other than those referred in Clause 12 (a), 12 (b), 12 (c), 12 (d) or 12 (e), all Unvested Options will lapse forthwith unless otherwise determined by the NRC or mentioned in the Grant Letter employment terms of the Employee / policies of the Company. The vested Options can be exercised by the Employee prior to the expiry of Exercise Period or such extended period as determined by the NRC and subject to terms as mentioned in section 7(a).

13. Vesting and Exercise of Options in case of Employees on long leave

The period of leave shall not be included in determining the Vesting Period in the event an Employee is on a sabbatical / long leave without pay for more than a Quarter or on maternity leave over and above the statutory leave permitted by the Applicable Law and Options shall vest in such cases on pro-rata basis subject to Clause 7. In all other conditions, including earned leave / sick leave (i.e. portion of leave with pay), the period of leave shall be included to calculate the Vesting Period.

14. Transferability of Options

- (a) Each Option granted under the Plan shall by its terms be non-transferable by the Employee (except on death and Permanent Incapacity as per Clause 12), and each Option shall be exercisable during the Employee's lifetime only by the Employee.
- (b) The Option granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- (c) The transferability of the Shares, which may be issued and allotted on Exercise of the Options Granted shall be governed by the terms of the articles of association of the Company on transfer of shares. However, Employees are required to always adhere to Applicable Law, Company's policies/term of employment while dealing in the Shares or exercising any rights there under.

15. Changes in Capital

- (a) The existence of the Plan and any Grant Letter 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 Shares ahead of or affecting Shares, 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, buyback, 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, "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 Plan 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 along with such approvals as may be necessary to preserve the benefits or potential benefits intended to be made available under the Plan or with respect to any outstanding Options or otherwise necessary to reflect any such change, in a manner that the Board and / or NRC deems fit.

- (ii) Fractional Shares resulting from any adjustment in Options pursuant to Clause 15(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 Board / NRC 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 Plan.

16. Change in Control

In the event of:

- (i) a stock sale, merger, consolidation, combination, reorganization or other transaction resulting in less than 50% of the combined voting power of the surviving or resulting entity being owned by the shareholders of the Company immediately prior to such transaction and resulting in cessation of control of the existing shareholders of the Company; and
- (ii) 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 Employee shall have any right to prevent the consummation of any of the foregoing acts affecting the number of Shares available to such individual.

17. Corporate Action

Notwithstanding anything contained under this Plan, the Board / NRC shall, *inter alia*, formulate the detailed terms and conditions of the Plan 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.

In this regard following shall be taken into consideration by the Board / NRC:

- (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 Actions;
- (ii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the recipients.

18. Rights as a Shareholder

No Grantee shall have a right to receive any dividend or vote at any general meeting of the Company or in any manner enjoy the benefits of a shareholder in respect of Options Granted or Vested, till the Shares are issued on Exercise of Options.

19. No Right of Employment

The Grant of Options under this Plan does not create a right to continued employment with the Company or its holding / subsidiary company. Nothing in this Plan or Grant Letter or shall interfere with or limit in any way the right of the Company or its holding / subsidiary company to terminate the employment of the Employee at any time.

20. Conformity with Accounting Policies

The Company shall follow the requirements including the disclosure requirements of the Accounting Standards as prescribed under Section 133 of the Companies Act 2013 including 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Indian Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time or under the Applicable Laws.

21. 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 Plan, arising on account of the Grant of Options and /or allotment of the Shares to an Employee, the liability shall be that of the Employee alone and the Company, shall be indemnified to the extent of applicable taxes, if any, levied at any point of time upon the Company in this regard.
- (b) No Shares shall be issued to the Employee or beneficiary, on Exercise of the Options under this Plan unless appropriate taxes as required under the applicable tax laws, are discharged. Such taxes may either be deducted from the Employee's salary and / or can be separately discharged by the Employee by giving a cheque / demand draft / electronic payment to the Company for the said amount.
- (c) The Company shall deduct from the salary, for any obligation towards tax deduction arising in connection with the Option or the Shares acquired upon the Exercise thereof.
- (d) The Company shall have no obligation to deliver Shares or to release Shares in pursuance of the Option until the tax payment obligations, if any, have been satisfied by the Employee.
- (e) All tax liabilities arising on disposal of the Shares after Exercise would be handled by the Employee.

22. Interpretation and Amendments

The NRC may make such rules and regulations and establish such procedures for the administration of the Plan, as it deems appropriate. In the event of a disagreement as to the interpretation of this Plan or of any rule, regulation or procedure or as to any question, right or obligation arising from or related to the Plan, the decision of the NRC shall be final.

23. Notices

All notices under the Plan shall be in writing to the Company, shall be delivered or mailed at the below mentioned address to the attention of the Company Secretary and if to the Employee shall be delivered personally or through post / courier / email to the Employee / Nominee / Legal Heir at the address / email address appearing in the records of the Company. Such address / email address may be changed at any time by a written notice to the other party.

The Company Secretary,

24. Confidentiality

Employees shall keep the details of the Plan, the Options Granted to them and all other documents in connection thereto strictly confidential and shall not share/disclose the said details with/to any other person except in pursuance of regulatory requirement. In case of non-adherence of the provisions of this Clause, the Company will have the authority to deal with such cases as it may deem fit in its absolute discretion. Any decision as may be taken by the Board / NRC in this regard will be final and binding on all concerned.

On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Grantee has authorized the Company to disclose information relating to the Grantee during the process of implementation of the TTL SLTI Scheme 2022 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.

25. Termination of the Plan

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

- (a) The effective date of a resolution adopted by the Board / NRC terminating the Plan;
- (b) The date, all Shares under the Plan as mentioned in Clause 4(a) are issued pursuant to Exercise of Options; or

No Options may be granted under the Plan after the earliest to occur of the events or dates described in the foregoing paragraphs (a) through (b) of this Clause but Options granted heretofore shall continue in force beyond that date pursuant to these terms.

No such termination of the Plan shall affect the previously accrued rights of any Employee hereunder and all Options previously granted hereunder shall continue in force and in operation after the termination of the Plan, except as they may be otherwise terminated in accordance with the terms of the Plan or Grant Letter.

26. Other Terms

Options granted pursuant to the Plan shall contain such other terms, provisions and conditions (which need not be identical) not inconsistent herewith as shall be determined by Board / NRC.

Notwithstanding anything to the contrary contained herein or in any Grant Letter, the Company shall not be required to issue Shares if the issuance violates any provision of any law or regulation of any government authority or any Applicable Laws.

Participation in this Plan 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 Employee alone.

27. Severability

In the event that any term, condition or provision of the Plan is held to be a violation of or contrary to any Applicable Laws, the same shall be severable from the rest of the Plan and shall have no force and effect and the Plan shall remain in full force and effect as if such term, condition or provision had not originally been contained in the Plan. In the event of any inconsistency between any of the provisions of the Plan and the Applicable Laws, the provisions of the Applicable Laws shall prevail. Further, if any provisions of this Plan are not capable of being given effect to, on account of conflict with any Applicable Laws or pursuant to a mandate from the regulator, the same may be severable from the rest of the Plan without requiring any further approval of the Employees and/or Shareholders of the Company.

28. Disputes

All disputes arising out of or in connection with the Plan shall be referred to the NRC for mutual resolution by the parties.

29. Arbitration

All disputes arising out of or in connection with the Plan which cannot be resolved as per Clause 30 within 90 (ninety) days from the date of its reference to the Board / NRC may be referred for arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996, as amended from time to time. The arbitration shall be conducted by a single arbitrator to be appointed by the Company and the decision rendered by the arbitrator shall be final and binding on the parties. The place and seat of arbitration shall be Pune, Maharashtra.

30. Governing law and jurisdiction

- (a) The terms and conditions of the Plan shall be governed by and construed in accordance with the laws of India.
- (b) The Courts of Pune, Maharashtra shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Plan.
- (c) Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with the Plan:
 - (i) in any other Court of competent jurisdiction; or
 - (ii) concurrently in more than one jurisdiction.
- (d) The Grantee or its Nominee / legal heir(s) / successor(s), as the case may be, who are granted Options/Shares under the Plan shall comply with such requirements of laws as may be necessary.

31. New Share Incentive Plans

Nothing contained in the Plan shall be construed to prevent the Company and the Board/NRC from implementing another Share Incentive Plan or Stock Option Plan, which is deemed by the Company to be appropriate or in its best interest, provided such other action would not have any adverse impact on the Plan or any grant made under the Plan. No Grantee shall have any claim against the Company as a result of such action.
