

## **TATA CAPITAL LIMITED**

**Registered Office:** 11<sup>th</sup> Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013  
CIN: U65990MH1991PLC060670  
Telephone: (022) 6606 9000 | Fax: (022) 6656 2699 | Website: [www.tatacapital.com](http://www.tatacapital.com)

### **NOTICE**

**NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF TATA CAPITAL LIMITED will be held on Wednesday, March 29, 2023 at 10:00 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following special business:**

**1. Re-appointment of Mr. Rajiv Sabharwal as the Managing Director & CEO of the Company**

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

**“RESOLVED** that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable, if any, provisions of the Companies Act, 2013 (“Act”) and the Rules made thereunder read with Schedule V to the Act (including any statutory modification or re-enactment thereof), the Company hereby approves the re-appointment of Mr. Rajiv Sabharwal (DIN: 00057333), as the Managing Director & CEO of the Company for a further period of five years with effect from April 01, 2023, upon the terms and conditions as detailed in the Explanatory Statement attached hereto (including the remuneration to be paid in the event of loss or inadequacy of profits during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Sabharwal.”

**“RESOLVED FURTHER** that the Board of Directors of the Company (which term shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board authorised to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**2. Amendment of the Tata Capital Limited Employee Stock Purchase / Option Scheme**

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

**“RESOLVED** that pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder (including any statutory modification or re-enactment thereof) and other applicable law, the consent of the Members of the Company, be and is hereby accorded for amending the ‘Tata Capital Limited Employee Stock Purchase / Option Scheme’ (hereinafter referred to as the “Employee Stock Purchase / Option Scheme” or the “Scheme”), as per the details set out in the Explanatory Statement attached hereto.”

**“RESOLVED FURTHER** that the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board of Directors duly authorised by the Board, to exercise its powers including powers conferred by this Resolution), be and is hereby authorized to settle all questions, difficulties or doubts that may arise in relation to the implementation and formulation of the Scheme to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

**“RESOLVED FURTHER** that it is hereby noted that the amendments to the Scheme, as a whole, are not prejudicial to the interests of holders of Options and the Eligible Employees in each case, as defined under the Scheme.”

“**RESOLVED FURTHER** that the Board, the Key Managerial Personnel and the Chief Human Resources Officer, be and are hereby severally authorized to do all such acts, deeds and things and execute all such deeds, documents and instruments and writings as may be necessary and incidental for giving effect to the above.”

By Order of the Board of Directors  
For **Tata Capital Limited**

**Sarita Kamath**  
Head – Legal and Compliance  
& Company Secretary

Mumbai, February 24, 2023

**Registered Office:**

11<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganpatrao Kadam Marg,  
Lower Parel, Mumbai 400 013

**NOTES:**





1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the Businesses set out at Item Nos. 1 and 2 above, is annexed hereto. Additional information, pursuant to Secretarial Standard – 2 i.e. Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Mr. Rajiv Sabharwal, Managing Director & CEO seeking re-appointment, at this Extraordinary General Meeting (“EGM”), is furnished as a part of this Notice.
2. The Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 14/2020 dated April 08, 2020 read with Circular No. 11/2022 dated December 28, 2022 (collectively referred to as MCA Circulars), permitted the holding of the EGM through VC / OAVM, without the physical presence of the Members at a common venue. The deemed venue for the EGM will be 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013.
3. In compliance with the applicable provisions of the Act read with aforesaid MCA Circulars, the EGM of the Company is being held through VC / OAVM.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this EGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, pursuant to the MCA Circulars, the facility for appointment of proxies by the Members will not be available for this EGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, etc.) are required to send a scanned copy (PDF Format) of its Board or Governing body Resolution / Authorization, etc. with attested specimen signature of the duly authorised signatory(ies), authorizing its representative to attend this EGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [cs@parikhassociates.com](mailto:cs@parikhassociates.com) with a copy marked to [investors@tatacapital.com](mailto:investors@tatacapital.com).
6. The Members can join the EGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
7. The facility of participation at the EGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc., who are allowed to attend the EGM without restriction.
8. The Members attending the EGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Since the EGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
10. The relevant Registers and all other documents referred to in this Notice will be available for inspection by the Members. The Members can send a request to the Company at [investors@tatacapital.com](mailto:investors@tatacapital.com) to inspect the same.
11. To support the “Green Initiative”, Members who have not registered their e-mail addresses are requested to register the same with the Company’s Registrar and Transfer Agent, TSR Consultants Private Limited (formerly known as TSR Darashaw Consultants Private Limited) / their Depository Participants, in respect of shares held in physical / electronic mode, respectively.
12. In compliance with the aforesaid MCA Circulars, Notice of the EGM is being sent only through electronic mode to all the Members whose e-mail addresses are registered with the Depositories and the same is also available on the website of the Company at [www.tatacapital.com](http://www.tatacapital.com). The Notice of EGM can also be accessed on the website of National Securities Depository Limited (“NSDL”) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
13. Members who have not yet registered their e-mail addresses are requested to register the same with their DP in case the shares are held by them in electronic form.

14. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DP if the shares are held by them in electronic form.
15. The holders of Cumulative Redeemable Preference Shares (“CRPS”) can attend the EGM but are not entitled to vote on the items set out in the Notice.
16. Instructions for e-voting and joining the EGM through VC / OAVM are, as under:

**A. Process and manner for Members voting through Electronic means**

- (i) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Circulars issued by the MCA dated April 08, 2020 read with Circular dated December 28, 2022, the Company is pleased to offer the facility of voting through electronic means and the businesses set out in the Notice above may be transacted through such electronic voting. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the EGM will be provided by NSDL. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories, as on the Cut Off Date of March 22, 2023, shall be entitled to avail the facility of remote e-voting as well as voting at the EGM. Any recipient of the Notice who has no voting rights as on the Cut Off Date, shall treat this Notice as intimation only.
- (ii) A person who has acquired the shares and has become a Member of the Company after the dispatch of the Notice of the EGM and prior to the Cut Off Date i.e. March 22, 2023, shall be entitled to exercise his/her vote electronically i.e. remote e-voting or through Poll at the EGM by following the procedure mentioned in this part.
- (iii) The remote e-voting will commence on Saturday, March 25, 2023 at 9:00 a.m. and will end on Tuesday, March 28, 2023 at 5:00 p.m. During this period, the Members of the Company holding shares either in physical form or in demat form as on the Cut-Off Date i.e. March 22, 2023, may cast their vote electronically.
- (iv) Once the vote on a resolution is cast by the Member by remote e-voting prior to the EGM, he/she shall not be allowed to change it subsequently or cast the vote again.
- (v) The facility of voting through electronic means would also be made available at the EGM and the Members present in the EGM through VC/OAVM facility who have not already cast their votes by remote e-voting shall be able to exercise their right of voting through e-voting system during the Meeting. The Members who have already cast their vote by remote e-voting prior to the Meeting, may also attend/participate in the EGM through VC/OAVM but shall not be entitled to cast their vote again.
- (vi) The remote e-voting module on the day of the EGM shall be disabled by NSDL for voting, 15 minutes after the conclusion of the Meeting.

Type of shareholders	Login Method
Individual Shareholders holding shares in demat mode with NSDL.	1. If you are already registered for <b>NSDL IDeAS facility</b> , please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “ <b>Beneficial Owner</b> ” icon under “Login” which is available under “ <b>IDeAS</b> ” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-Voting” under e-voting services and you will be able to see e-voting page. Click on options available against the Company name or “e-voting service provider – NSDL” and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	<p>2. If the user is not registered for <b>IDeAS</b> e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against the Company name or “e-voting service provider – NSDL” and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 40px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding shares in demat mode with Central Depository Services (India) Limited (“CDSL”)</p>	<p>1. Existing users who have opted for <b>Easi / Easiest</b>, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to <b>Easi / Easiest</b> are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>2. After successful login of <b>Easi/Easiest</b> the user will be also able to see the e-voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for <b>Easi/Easiest</b>, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective E-voting Service Provider i.e. NSDL where the e-Voting is in progress.</p>

Type of shareholders	Login Method
Individual Shareholders (holding shares in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL depository site after successful authentication, wherein you can see e-voting feature. Click on options available against the Company name or “e-Voting service provider-NSDL” and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

- (vii) The voting rights of the Members shall be in the proportion to their share in the paid-up equity share capital of the Company as on the Cut Off Date of March 22, 2023.
- (viii) The Company has appointed Mr. P. N. Parikh (FCS No. 327; COP No. 1228) or failing him, Mr. Mitesh Dhaliwala (FCS No. 8331; COP No. 9511) of M/s. Parikh & Associates, Practicing Company Secretaries, to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting at the EGM, in a fair and transparent manner.
- (ix) The procedure and instructions for remote e-voting and joining the EGM on NSDL e-voting System are, as follows:

**Step 1: Access to NSDL e-Voting system**

**I. Login method for e-Voting and joining virtual meeting for Individual shareholders holding shares in demat mode**

- a) In terms of SEBI Circular dated December 9, 2020 on e-voting facility, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are accordingly, advised to update their mobile number and email id in their demat accounts in order to access the e-voting facility.
- b) Login method for Individual shareholders holding shares in demat mode is given below:  
*Important note:*  
*Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.*
- c) Helpdesk for Individual shareholders holding shares in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding shares in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-48867000 / 022-24997000
Individual Shareholders holding shares in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**II. Login Method for e-voting for shareholders other than Individuals viz. Institutions and Corporate shareholders holding shares in demat mode and for shareholders holding shares in physical mode**

- a) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- b) Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders /Member/Creditors” section.

- c) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

- d) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example, if Folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- e) Details of Password for shareholders other than Individual shareholders are, given below:

- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the “initial password” which was communicated to you. Once you retrieve your “initial password”, you need to enter the “initial password” and the system will force you to change your password.
- How to retrieve your “initial password”?
  - I. If your email ID is registered in your demat account or with the Company, your “initial password” is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or Folio number for shares held in physical form. The pdf file contains your ‘User ID’ and your ‘initial password’.
  - II. If your email ID is not registered, please follow steps mentioned below in Point no. B - Process for those shareholders whose email ids are not registered.

- f) If you are unable to retrieve or have not received the “initial password” or have forgotten your password:

- Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/Folio number, your PAN, your name and your registered address.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

- g) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- h) Click on “Login” button.
- i) After you click on the “Login” button, Home page of e-voting will open.

**Step 2 - Cast your vote electronically and Join the EGM on NSDL e-voting system**

- a) After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b) Select “EVEN” of the Company for which you wish to cast your vote during the remote e-voting period or for casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
- c) Now you are ready for e-voting as the Voting page opens.
- d) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- e) Upon confirmation, the message “Vote cast successfully” will be displayed.
- f) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**B. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice:**

- (i) If you are a Shareholder holding shares in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by an email to [investors@tatacapital.com](mailto:investors@tatacapital.com).
- (ii) If you are a Non-Individual Shareholder viz. Institutions and Corporate Shareholders holding shares in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by an email to [investors@tatacapital.com](mailto:investors@tatacapital.com).
- (iii) Alternatively shareholder/members may also send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- (iv) If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (I) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding shares in demat mode.

**C. Instructions for Members for attending the EGM through VC / OAVM**

- (i) Member will be provided with a facility to attend the EGM through VC/OAVM through the NSDL e-voting system. Members may access the same by following the steps mentioned above for “Access to NSDL e-voting system”. After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against the Company name. You are requested to click on VC/OAVM link placed under “Join Meeting” menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above in the Notice to avoid last minute rush.
- (ii) Members can participate in EGM through Laptop / Desktop / Mobile devices, however, for better experience and smooth participation, it is advisable to join the Meeting through Laptops connected through broadband. Further, the Members will be required to allow Camera and use Internet



with a good speed to avoid any disturbance during the Meeting. Please note that Participants connecting from Mobile devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

- (iii) Members who would like to express their views or ask questions during the EGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at [investors@tatacapital.com](mailto:investors@tatacapital.com) between March 20, 2023 (9:00 a.m.) to March 22, 2023 (5:00 p.m.). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the EGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the EGM.

#### **D. General Information for the Members**

- (i) Any person holding shares in physical form and non-individual shareholder, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. March 22, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at [investors@tatacapital.com](mailto:investors@tatacapital.com). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 022-48867000 / 022-24997000. In case of Individual Shareholder holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. March 22, 2023 may follow steps mentioned in the Notice of this EGM under “Access to NSDL e-Voting system”.
- (ii) It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- (iii) The Scrutinizer shall, immediately after the conclusion of voting at the EGM, first count the votes cast at the meeting and, thereafter, unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall not later than three days of the conclusion of the meeting, issue a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the Result of the voting forthwith.
- (iv) The Results declared, along with the Scrutinizer’s Report, will be posted after the declaration of the same by the Chairman on the Company’s website at [www.tatacapital.com](http://www.tatacapital.com) and also on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The Results shall also be displayed on the Notice Board at the Registered Office of the Company.
- (v) In case you have any queries or issues regarding remote e-voting, you may write to the Company at [investors@tatacapital.com](mailto:investors@tatacapital.com). Members can also refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022-48867000 / 022-24997000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

## EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") and the Rules framed thereunder sets out all material facts relating to the business mentioned under Item Nos. 1 and 2 of the accompanying Notice dated February 24, 2023.

### Item No. 1:

The Members are requested to note the following:

The Members of the Company had, vide a Special Resolution passed at the Extraordinary General Meeting of the Company held on March 29, 2018, appointed Mr. Rajiv Sabharwal as the Managing Director & CEO of the Company, for a period of five years commencing from April 01, 2018. The aforesaid term of Mr. Sabharwal will end on March 31, 2023.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has, at its Meeting held on January 24, 2023, approved the re-appointment of Mr. Sabharwal as the Managing Director & CEO and Key Managerial Personnel of the Company, subject to the approval of the Members of the Company, for a further period of five years commencing from April 01, 2023 to March 31, 2028 and approved the terms of the remuneration payable to Mr. Sabharwal.

The Board, while re-appointing Mr. Sabharwal as the Managing Director & CEO of the Company, considered his performance and contributions to the Company during his past tenure as the Managing Director & CEO.

A brief resume, qualification(s), experience and nature of Mr. Sabharwal's expertise in specific functional areas is set out in an Exhibit I to this Notice.

The Principal terms and conditions of Mr. Sabharwal's re-appointment as the Managing Director & CEO (hereinafter referred to as "Mr. Sabharwal" or the "Managing Director & CEO") are, as follows:

#### A. Tenure of Agreement:

The re-appointment of the Managing Director & CEO is for the period commencing from April 01, 2023 and ending on March 31, 2028.

#### B. Nature of Duties:

The Managing Director & CEO shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and direction of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies and / or subsidiaries or any other executive body or any Committee of such company.

#### C. Remuneration:

I. **Basic Salary:** ₹ 20,26,864/- per month (Current Basic Salary) upto a maximum of ₹ 27,50,000/- per month. The annual increments will be effected on April 1 of each year, to be decided by the Board of Directors or a Committee thereof and will be merit based and will take into account the Company's performance as well.

#### II. **Benefits, Perquisites, Allowances:**

In addition to the Salary referred to in (I) above, the Managing Director & CEO shall be entitled to:

- a) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 85% of the Salary, *in case residential accommodation is not provided by the Company.*

- b) Hospitalization, Transport, Telecommunication and other facilities:
- i) Hospitalization and major medical expenses for self, spouse, dependent (minor) children and dependent parents;
  - ii) Car, with driver provided, maintained by the Company for official and personal use; In case, the Managing Director & CEO chooses not to take a company provided driver, then an allowance of ₹ 2,60,000 per annum will be payable on a monthly basis for such time;
  - iii) Telecommunication facilities including broadband, internet and fax.
  - iv) Housing Loan as per the Rules of the Company.
- c) Other perquisites and allowances given below subject to a maximum of 55% of the annual Salary:  
The categories of perquisites / allowances to be included within the 55% limit shall be –
- |   |        |
|---|--------|
| i) Executive Allowances                 | 46.67% |
| ii) Leave Travel Concession / Allowance | 8.33%  |
|   | 55.00% |
- d) Contribution to Provident Fund, Superannuation Fund (“SAF”) or Annuity Fund and Gratuity Fund as per the Rules of the Company. In case there is no contribution to the SAF, the same will be payable as an Allowance as per the rules of the Company;
- e) The Managing Director & CEO shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the Managing Director & CEO shall be encashable in accordance with the rules of the Company.

**III. Commission:**

Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the Managing Director & CEO will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable as per the schedule decided by the Board of Directors or a Committee thereof.

**IV. Incentive Remuneration:**

Such Incentive Remuneration not exceeding 200% of the Annual Fixed Compensation (Basic Salary, Benefits, Perquisites and Allowances) to be paid at the discretion of the Board of Directors or a Committee thereof, based on certain performance criteria and such other parameters as may be considered appropriate from time to time. Incentive Remuneration will be payable only when the Company cannot pay Commission. Incentive Remuneration shall be paid as per the schedule decided by the Board of Directors or a Committee thereof.

**V. Long Term Incentive Pay:**

To pay such amount under the Long Term Incentive Plan to Mr. Sabharwal over the period of his tenor as Managing Director & CEO, as may be approved by the Nomination and Remuneration Committee / Board of Directors of the Company, from time to time.

**Malus and Clawback:** The variable pay i.e. Commission, Incentive Remuneration and Long Term Incentive Pay shall be subject to Malus and Clawback provisions as per the Remuneration / Compensation Policy of the Company, as approved by the Board of Directors or a Committee thereof duly authorised in this behalf.

**VI. Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director & CEO remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.

**D. Other terms of re-appointment:**

- (i) Mr. Sabharwal shall, subject to the superintendence, control and direction of the Board of Directors, be entrusted with substantial powers of management to perform such duties as may, from time to time, be entrusted to him.
- (ii) If Mr. Sabharwal ceases to be a Director of the Company, he shall cease to be the Managing Director of the Company. If Mr. Sabharwal ceases to be in the employment of the Company, he shall cease to be a Director and the Managing Director & CEO of the Company.
- (iii) The Managing Director & CEO, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.
- (iv) The terms and conditions of the re-appointment of the Managing Director & CEO may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director & CEO, subject to such approvals as may be required.
- (v) The employment of the Managing Director & CEO may be terminated by the Company without notice or payment in lieu of notice:
  - a. if the Managing Director & CEO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or
  - b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director & CEO of any of the stipulations contained in the Agreement to be executed between the Company and the Managing Director (“Agreement”); or
  - c. in the event the Board expresses its loss of confidence in the Managing Director & CEO.
- (vi) In the event the Managing Director & CEO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- (vii) Upon the termination by whatever means of the Managing Director & CEO’s employment:
  - a. the Managing Director & CEO shall immediately cease to hold offices held by him, if any, in the holding Company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167 (1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.
  - b. the Managing Director & CEO shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries and associate companies.
- (viii) The Managing Director & CEO will not, during the continuance of his employment with the Company, without the prior written consent of the Board, carry on or be engaged, directly or indirectly, either on his own behalf or on behalf of any person, or as manager, agent, consultant or employee of any person, firm or company, in any activity or business, in India or overseas, which shall directly or indirectly be in competition with the business of the Company or its subsidiaries or associate companies.
- (ix) The re-appointment of the Managing Director & CEO shall be subject to the provisions of Sections 164 and 167 of the Act.
- (x) All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director & CEO, unless specifically provided otherwise.
- (xi) The terms and conditions of re-appointment of the Managing Director & CEO also include clauses pertaining to adherence with the Tata Code of Conduct, maintenance of confidentiality, non-competition and non-solicitation.

The re-appointment and the terms of remuneration will be pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Act, the applicable Rules framed thereunder read with Schedule V to the Act, as amended from time to time.

It may be noted that the Company has:

- (i) Never made any default in repayment of any of its debts or debentures or interest payable thereon and of preference shares and dividend on preference shares for a continuous period of thirty days; and
- (ii) Filed the Balance Sheet and Annual Return which are due to be filed with the Registrar of Companies.

The Members are requested to note that the Company currently is a Core Investment Company ("CIC"). As a CIC, its business activities are confined to holding securities in and granting loans to companies in the Group and other activities permitted for CICs by the Reserve Bank of India. Accordingly, the revenue earning streams of the Company are currently restricted to dividend / interest from the underlying companies and certain fee income and other income / profits of a capital nature, a portion of which is not taken into account for determination of profits under Section 198 of the Act for payment of managerial remuneration.

Though TCL is profitable, owing to the above, its profits for the purpose of payment of managerial remuneration could be inadequate, leading to a constraint on the payment of appropriate Remuneration to the Managing Director & CEO, based on the performance as evaluated and such other parameters as may be considered appropriate, from time to time, by the Nomination and Remuneration Committee of the Board.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No. 1 is annexed hereto as Exhibit II.

In compliance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Act, the applicable Rules framed thereunder and read with Schedule V to the Act, the terms of re-appointment and payment of remuneration to Mr. Sabharwal as specified above are now being placed before the Members for their approval.

The Members are informed that the draft of the Agreement to be executed between the Company and Mr. Sabharwal for his re-appointment as the Managing Director & CEO of the Company would be available for inspection of the Members on any working day between 10:00 a.m. and 5:00 p.m. at the Registered Office of the Company and also at the Meeting (except Saturday and Sunday).

The Board commends the Resolution at Item No. 1 of the accompanying Notice, for the approval of the Members of the Company.

Mr. Sabharwal and his relatives may be deemed to be concerned and interested in the Resolution mentioned at Item No. 1 of the accompanying Notice pertaining to his re-appointment. Other than Mr. Sabharwal, no other Director or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 1 of the accompanying Notice.

## **Item No. 2.**

The Members are requested to note the following:

Tata Capital Limited ("TCL" or "Company") has introduced the Tata Capital Limited Employee Stock Purchase/ Option Scheme ("Scheme"), with effect from March 2, 2010. The Scheme is administered through the TCL Employee Welfare Trust ("Trust") and was last amended in February 2020. The objective and purpose of the Scheme is to, inter alia, align the interests of the employees with those of the Company and its Members, provide an incentive to attract, retain and reward employees performing services for the Company by encouraging them to acquire an ownership interest in the Company and motivating them to contribute to the growth and profitability of the Company, thereby promoting their welfare.

The Scheme inter alia governs the transfer of Equity Shares of the Company from the Trust to the Eligible Employees (as defined in the Scheme). The Scheme currently has provisions restricting the transfer of Equity Shares held by Eligible Employees to any person other than the Trust.

As a beneficial measure towards the Eligible Employees, based on the recommendation of the NRC, vide its circular resolution dated February 20, 2023, the Board of Directors of the Company, at its meeting held on February 24, 2023, has approved of certain amendments to the Scheme pertaining to clauses on Retention of Shares, Non-transferability of Shares, Lock-in period and other related clauses in order to remove restrictions on

transfer of shares by the Eligible Employees to any person other than the Trust, subject to the approval of the Members of the Company. Further, the Trustees, at its meeting held on February 22, 2023 have also approved the proposed amendments to the Scheme.

As per Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Company may, by way of a Special Resolution, vary the terms of the Employees Stock Options not yet exercised by the employees provided that such variation is not prejudicial to the interests of the Option holders. Further, as per Clause 34 of the Scheme (as per Annexure B), the Company may, by a Special Resolution in a General Meeting, vary the terms of the Scheme provided such variation is not prejudicial to the interest of the Employees. The Members are requested to note that the proposed amendments to the Scheme, as a whole, would be beneficial to all the Eligible Employees including those who hold Options which have not been exercised, and shall not be prejudicial to their interest.

A Comparative Statement of the clauses of the Scheme which are proposed to be amended is attached herewith as Annexure A and a copy of the revised Scheme, is attached as Annexure B, for the perusal and consideration of the Members.

The approval of the Members is being sought by way of a Special Resolution under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 as also Clause 34 and other provisions of the Scheme (as per Annexure B), for the amendment of the existing Scheme.

The Board commends the Special Resolution at Item No. 2 of the accompanying Notice for the approval of the Members of the Company.

The Directors (excluding Independent Directors) or Key Managerial Personnel of the Company may be deemed to be concerned or interested in the Resolution to the extent of the Shares held by them and / or Options granted / may be granted to them. None of the relatives of the Directors of the Company or of the Key Managerial Personnel of the Company are concerned or interested in the passing of the Resolution at Item No. 2 of the Notice.

By Order of the Board of Directors  
For **Tata Capital Limited**

**Sarita Kamath**  
Head – Legal and Compliance  
& Company Secretary

Mumbai, February 24, 2023

**Registered Office:**

11<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganpatrao Kadam Marg,  
Lower Parel, Mumbai 400 013

**EXHIBIT I TO NOTICE**
**PURSUANT TO THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS, BRIEF RESUME OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THIS EXTRAORDINARY GENERAL MEETING IS FURNISHED**

Particulars	Mr. Rajiv Sabharwal (DIN: 00057333)
Date of Birth and Age	September 28, 1965; 57 years
Date of appointment on Board	April 01, 2018
Qualifications	Bachelor of Technology – Mechanical Engineering (IIT, Delhi) Post Graduate Diploma in Management (IIM, Lucknow)
Experience	<ul style="list-style-type: none"> <li>• Mr. Sabharwal has over 32 years of experience in the banking and financial services industry.</li> <li>• Was a Partner in True North Managers LLP, which was mainly involved in building and managing businesses with a primary focus in the financial service sector.</li> <li>• Served as an Executive Director on the Board of ICICI Bank and was responsible for several businesses including retail banking, business banking, rural banking, financial inclusion business and digital banking technology.</li> <li>• Served as the Chairman of ICICI Home Finance Company Limited and was on the Board of ICICI Prudential Life Insurance Company Limited.</li> <li>• Was also on the Investment Advisory Committee (Real Estate) of ICICI Prudential AMC.</li> <li>• Acknowledged for his contribution to the growth of the Retail Banking and Real Estate and Housing Finance market in India.</li> <li>• Served on a number of committees of RBI and Indian Banks Association.</li> <li>• Had successful stints with True North Managers LLP, Sequoia Capital, Godrej Group, SRF Finance, GE Capital and Times Bank.</li> </ul>
No. of Meetings of the Board attended during FY 2022-23 (From April 2022 to February 2023)	9 (out of 9)
Other Directorships	<ul style="list-style-type: none"> <li>• Tata Capital Housing Finance Limited</li> <li>• Tata Cleantech Capital Limited</li> <li>• Tata Capital Financial Services Limited</li> <li>• Tata Asset Management Private Limited</li> <li>• Tata Realty and Infrastructure Limited</li> <li>• Tata Securities Limited</li> <li>• Tata Capital Pte Limited</li> <li>• Tata Capital Advisors Pte Limited</li> </ul>

Particulars	Mr. Rajiv Sabharwal (DIN: 00057333)		
Memberships / Chairmanships of committees across other companies	<b>Name of the Company</b>	<b>Name of Committees of which a Chairman</b>	<b>Name of Committees of which a Member</b>
	Tata Capital Housing Finance Limited	<ul style="list-style-type: none"> <li>• Stakeholders Relationship Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee</li> <li>• Working Committee</li> <li>• Risk Management Committee</li> <li>• Corporate Social Responsibility Committee</li> <li>• Information Technology Strategy Committee</li> <li>• Lending Committee</li> </ul>
	Tata Cleantech Capital Limited	-	<ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Risk Management Committee</li> <li>• Investment Credit Committee</li> <li>• Corporate Social Responsibility Committee</li> <li>• Information Technology Strategy Committee</li> <li>• Working Committee</li> <li>• Nomination and Remuneration Committee</li> <li>• Stakeholders Relationship Committee</li> </ul>
	Tata Capital Financial Services Limited	-	<ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee</li> <li>• Investment Credit Committee</li> <li>• Risk Management Committee</li> <li>• Corporate Social Responsibility Committee</li> <li>• Working Committee</li> <li>• Information Technology Strategy Committee</li> </ul>
	Tata Asset Management Private Limited	-	<ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Nomination and Remuneration Committee</li> <li>• Board Executive Committee</li> </ul>
Tata Realty and Infrastructure Limited	-	<ul style="list-style-type: none"> <li>• Real Estate Committee</li> </ul>	
Shareholding in the Company	Nil		
Relationship with other Directors, Manager or Key Managerial Personnel, if any	None		
Last drawn Remuneration	₹ 5,19,35,040/- for the period from April 2022 to January 2023		
Remuneration sought to be paid	As stated in the explanatory statement annexed to this Notice.		



**EXHIBIT II TO NOTICE**

**Additional Information relevant to the Remuneration to be payable to the Managing Director & CEO as per Part II Section II (B) of Schedule V to the Companies Act, 2013:**

**I. General Information:**
**1. Nature of Industry:**

The Company is in the Non - Banking Financial Services Industry and is a Non-Deposit Accepting Core Investment Company registered with the RBI.

**2. Date or expected date of commencement of commercial production:**

Not Applicable since it is not a manufacturing company.

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable.

**4. Financial performance based on given indicators:**

As per the audited annual accounts, the financial performance of the Company was, as under:

(₹ in crore)

Particulars	FY 2020-21	FY 2021-22
Gross Income	452.17	511.89
Profit Before Tax	63.03	102.95
Profit/(Loss) as computed under section 197 and with section 198 of the Act	191.34	201.80
<b>Profit After Tax</b>	<b>46.67</b>	<b>83.10</b>

**5. Foreign investments or collaborations, if any:**

Investment in Tata Capital Pte. Ltd. ("TCPL"), a wholly owned subsidiary of the Company incorporated in Singapore in 2008. TCPL, on its own or through its subsidiaries, carries out the business of proprietary investments and fund management.

**II. Information about the Appointee:**
**1. Background details:** Refer Exhibit I accompanying this Notice.

**2. Past remuneration:**

Mr. Sabharwal's last drawn gross earnings from TCL as Managing Director & CEO were, as follows:

(in ₹)

Particulars	FY 2021-22	FY 2022-23
Total Fixed Pay	6,49,94,554	Please refer Exhibit I
Others	3,72,55,864 <sup>#</sup>	
Incentive Remuneration	5,00,00,000	Please refer note below*
<b>Total</b>	<b>15,22,50,418</b>	

<sup>#</sup>Value of ESOPs granted under Long Term Incentive Plan 2018, 2019, 2020 and 2021

\*Incentive Remuneration / Commission and Others for FY2022-23 will be considered by the Board of Directors in due course.

As per the Long Term Incentive plan for FY2021-22 (LTI 2022) of the Company, LTI 2022 value of ₹ 4,00,00,000/-.

**3. Recognition or Awards:**

Mr. Sabharwal is highly respected in the banking and financial services industry and his acumen has been recognized by several independent bodies.

**4. Job profile and his suitability:**

Mr. Sabharwal brings with him a wealth of expertise and a deep understanding of financial services, as a result of his past association with ICICI Bank Limited and True North Managers LLP. Mr. Sabharwal's acumen has been recognized by several independent bodies. Mr. Sabharwal's extensive experience has been highly beneficial in Tata Capital's quest to expand its footprint in this industry and his expertise and knowledge has helped Tata Capital chart the next phase of its growth in financial services. To manage a business across such a diverse array of financial services requires the expertise of a person of Mr. Sabharwal's calibre.

**5. Remuneration Proposed:**

Refer explanatory statement accompanying to this Notice.

**6. Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Mr. Sabharwal, the responsibilities shouldered by Mr. Sabharwal and the industry benchmarks, the above remuneration is commensurate with the remuneration packages paid to similar senior level personnel in other companies.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the remuneration paid to Mr. Sabharwal as Managing Director & CEO of the Company, he does not have any pecuniary relationship directly or indirectly with the Company or with the managerial personnel.

**III. Other Information:****1. Reasons of loss or inadequate profits**

Pursuant to the conversion of the Company into a CIC, its business activities are confined to holding securities in and loans to companies in the Group and other activities permitted for CICs by the RBI. Accordingly, in view of its permissible activities, the revenue earning streams of the Company are dividend / interest from the underlying companies and certain fee income and other income / profits of a capital nature, a portion of which is not taken into account for determination of profits under Section 198 of the Act for payment of managerial remuneration.

In view of the above, although the Company is profitable, the profits of the Company, as computed in the manner prescribed under Section 198 read with Section 197 of the Act, for payment of Managerial Remuneration may be inadequate.

**2. Steps taken or proposed to be taken for improvement**

Not required in view of III (1) above.

**3. Expected increase in productivity and profits in measurable terms**

Not Applicable

**COMPARATIVE STATEMENT OF CLAUSES TO BE AMENDED**

The following changes are being made to the Scheme:

Sr. No.	Relevant Clause	Original Clause	Revised Clause
1.	3.27. (Definitions)	“ <b>Retention Period</b> ” means a continuous period commencing from the date on which the Eligible Employee shall have acquired the Shares in question from the Trust and expiring on the completion of such period as may be determined by the NRC, from time to time.	This clause will be deleted.
2.	4.7. (Administration of Scheme)	Any transfer of shares from the Trust to Eligible Employees, shall be preceded with an approval by the NRC.	This clause will be deleted.
3.	5.1. sub clause (o) (Powers and authority of the Nomination and Remuneration Committee)	Determining the Retention Period and Lock-in Period in terms of the Shares transferred to Eligible Employees	This sub clause will be deleted.
4.	15. (Retention Period and Procedure)	As reproduced in <u>Schedule I</u> below.	This clause will be deleted.
5.	18.2.1 (Exit Options - Due to termination (dismissal or discharge) of the Eligible Employee)	In case of termination of the services or directorship of the Eligible Employee (as the case may be) due to dismissal or discharge for reasons including violation of any code of conduct implemented by the company employing the Eligible Employee in question, such Eligible Employee shall be provided with certain Exit Options, as contemplated in Annexure IV, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme.	This clause will be deleted.
6.	18.2.3 (Exit Options - Due to termination (dismissal or discharge) of the Eligible Employee)	In the event of termination or vacation of the services/ directorship of the Eligible Employee due to dismissal or discharge for reasons including violation of the company’s code of conduct, the NRC shall be entitled to require the Eligible Employee to sell to the Trust all the Shares	This clause will be deleted.

Sr. No.	Relevant Clause	Original Clause	Revised Clause
		<p>purchased by him from the Trust, as contemplated in Annexure IV, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme The decision of the NRC as aforesaid would be final and binding on the concerned Eligible Employee, for the purpose of this Scheme.</p>	
7.	<p>18.3.2.(Exit Options - Due to retirement/ superannuation of the Employee)</p>	<p>Upon retirement/ superannuation of the Eligible Employee in the normal course, the Eligible Employee shall be allowed to keep all or any Shares with him subsequent to such retirement/ superannuation or be allowed to sell the same to the Employee Trust, as contemplated in Annexure IV, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme.</p>	<p>Upon retirement/ superannuation of the Eligible Employee in the normal course, the Eligible Employee may sell the Shares to the Employee Trust, as contemplated in Annexure IV, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme.</p>
8.	<p>19. (Non-transferability of Shares)</p>	<p>As reproduced in <u>Schedule I</u> below.</p>	<p>This clause will be replaced by the following: Transferability: The Shares which are transferred to an Eligible Employee on Exercise of Option pursuant to this Scheme shall be freely transferable to any person as permitted under applicable laws.</p>
9.	<p>20. (Lock-in Period)</p>	<p>The Shares transferred to an Eligible Employee, if any, on Exercise of Options pursuant to this Scheme, shall be locked in during the Retention Period or as otherwise provided under this Scheme, save and except for any transfer permitted in accordance with this Scheme.</p>	<p>This clause will be deleted.</p>
10.	<p>23. (Lapsed Shares)</p>	<p>In case any options issued to Eligible Employees are not exercised by the respective Eligible Employees during the Exercise Period, then such options shall (unless otherwise determined by the Trustee(s) in consultation with the NRC) irrevocably lapse and the same may be granted afresh by the NRC to such Eligible Employee(s) or other Employees, either under this Scheme or otherwise, as the NRC may deem fit in its sole and absolute discretion.</p>	<p>In case any Options issued to Eligible Employees are not exercised by the respective Eligible Employees during the Exercise Period, such Options shall (unless otherwise determined by the Trustee(s) in consultation with the NRC) irrevocably lapse and the same may be granted afresh by the NRC to such Eligible Employee(s) or other Employees, either under this Scheme or otherwise, as the NRC may deem fit in its sole and absolute discretion.</p>

Sr. No.	Relevant Clause	Original Clause	Revised Clause
		Further, Shares if any, in respect of which options have lapsed under this Scheme, shall be available for grant, to the Eligible Employees or other Employees, either under this Scheme or otherwise, at the sole and absolute discretion of the Trustees in consultation with the NRC. The terms, inter alia, relating to Exercise Price, Exercise Period, and Retention Period in respect of such lapsed Shares to be granted, as aforesaid, will be determined by the NRC at the time of grant as it may deem fit at its absolute discretion.	Further, Shares if any, in respect of which Options have lapsed under this Scheme, shall be available for grant, to the Eligible Employees or other Employees, either under this Scheme or otherwise, at the sole and absolute discretion of the Trustees in consultation with the NRC. The terms, inter alia, relating to Exercise Price and Exercise Period, in respect of such lapsed Shares to be granted, as aforesaid, will be determined by the NRC at the time of grant as it may deem fit at its absolute discretion.
11.	Annexure II ( <i>Format of letter of acceptance</i> )	I confirm that I have read and understood the Scheme and shall abide by all conditions set out therein.	I confirm that I have read and understood the Scheme and shall abide by all conditions set out in the Scheme as amended from time to time.
12.	Annexure III ( <i>Format of Exercise Application</i> )	In addition to the above, I confirm that I have read and understood all terms and conditions of the Scheme and shall abide by all conditions set out therein at all times. I irrevocably confirm and undertake that in consideration of the Trust issuing Shares to me, I shall only transfer such Shares to the Trustees or any other person, as may be notified by the Nomination and Remuneration Committee of Tata Capital Limited and I shall not effect any other sale/transfer/pledge save and except as expressly provided under the provisions of the Scheme.	In addition to the above, I confirm that I have read and understood the Scheme and shall abide by all conditions set out in the Scheme as amended from time to time.

Sr. No.	Relevant Clause	Original Clause	Revised Clause
13.	Annexure IV ( <i>Exit Options to be provided to Eligible Employees under the Tata Capital Limited Employee Stock Purchase/Option Scheme ("Scheme") - For ESOPs granted under the Scheme, prior to ESOP 2018 plan</i> )	ii. Termination (dismissal or discharge) of services: <ol style="list-style-type: none"> <li>1. <u>Options Vested but not Exercised</u> - Lapsed, as per the respective ESOP plan under the Scheme.</li> <li>2. <u>Shares</u> - Subject to the discretion of the Nomination and Remuneration Committee ("NRC"), in case of an Employee whose services are terminated for cause as provided under the Scheme, all Shares purchased by him, shall be sold back to the TCL Employee Welfare Trust ("Trust"), at the then prevailing Fair Market Value ("FMV") as determined by the latest Valuation Report prior to the date of such termination or the Exercise price, whichever is lower.</li> </ol>	ii. Termination (dismissal or discharge) of services: <ol style="list-style-type: none"> <li>1. <u>Options Vested but not Exercised</u> - Lapsed, as per the respective ESOP plan under the Scheme.</li> <li>2. <u>Shares</u> - In case of an Employee whose services are terminated for cause as provided under the Scheme, the Exit Options as contemplated in Table A shall not be applicable.</li> </ol>
14.	Annexure IV ( <i>Exit Options to be provided to Eligible Employees under the Tata Capital Limited Employee Stock Purchase/Option Scheme ("Scheme") - For ESOPs granted under the Scheme, prior to ESOP 2018 plan</i> )	iii. Superannuation/Retirement: <ol style="list-style-type: none"> <li>1. <u>Options Vested but not Exercised</u> - Lapsed, as per the respective ESOP plan under the Scheme.</li> <li>2. <u>Shares</u> - In the event an Employee superannuates/retires from the services of the Company, its SubCo, HoldCo or any Tata group Company, he shall be allowed to keep all the Shares with him subsequent to such retirement / superannuation or can sell back the Shares purchased by him anytime to the Trust, on the last working day or thereafter, at the then prevailing FMV, as per the respective ESOP plan under the Scheme</li> </ol>	iii. Superannuation/Retirement: <ol style="list-style-type: none"> <li>1. <u>Options Vested but not Exercised</u> - Lapsed, as per the respective ESOP plan under the Scheme.</li> <li>2. <u>Shares</u> - In the event an Employee superannuates / retires from the services of the Company, its SubCo, HoldCo or any Tata group Company, he may sell back the Shares purchased by him anytime to the Trust, on the last working day or thereafter, at the then prevailing FMV, as per the respective ESOP plan under the Scheme</li> </ol>

Sr. No.	Relevant Clause	Original Clause	Revised Clause
15.	Annexure IV ( <i>Exit Options to be provided to Eligible Employees under the Tata Capital Limited Employee Stock Purchase/Option Scheme ("Scheme") - For ESOPs granted under the Scheme, prior to ESOP 2018 plan</i> )	iv. Death: <ol style="list-style-type: none"> <li>1. <u>Options Vested but not Exercised</u> – Lapsed, as per the respective ESOP plan under the Scheme.</li> <li>2. <u>Shares</u> - In the event of death of an Eligible Employee, the nominee(s) or legal heir(s) can sell back the Shares purchased to the Trust, anytime, at the then prevailing FMV. The Eligible Employee can be in service or may have resigned (but not terminated) or superannuated/retired from the Company, HoldCo, SubCo or any other Tata Group Company, at the time of his death.</li> </ol>	iv. Death: <ol style="list-style-type: none"> <li>1. <u>Options Vested but not Exercised</u> – Lapsed, as per the respective ESOP plan under the Scheme.</li> <li>2. <u>Shares</u> - In the event of death of an Eligible Employee, the nominee(s) or legal heir(s) may sell back the Shares purchased to the Trust, anytime, at the then prevailing FMV. The Eligible Employee can be in service or may have resigned (but not terminated) or superannuated / retired from the Company, HoldCo, SubCo or any other Tata Group Company, at the time of his death.</li> </ol>
16.	Annexure IV ( <i>Exit Options to be provided to Eligible Employees under the Tata Capital Limited Employee Stock Purchase/Option Scheme ("Scheme") - For ESOPs granted under the Scheme, prior to ESOP 2018 plan</i> )	v. Permanent Incapacitation: <ol style="list-style-type: none"> <li>1. <u>Options Vested but not Exercised</u> – Lapsed, as per the respective ESOP plan under the Scheme.</li> <li>2. <u>Shares</u> - In the event of permanent incapacitation, the Eligible Employee can sell back the Shares purchased by him anytime to the Trust at the then prevailing FMV, irrespective of whether the Eligible Employee is in service or has resigned (but not terminated) or has superannuated/retired from the Company, its SubCo, HoldCo or any other Tata Group Company, at the time of his permanent incapacitation.</li> </ol>	v. Permanent Incapacitation: <ol style="list-style-type: none"> <li>1. <u>Options Vested but not Exercised</u> – Lapsed, as per the respective ESOP plan under the Scheme.</li> <li>2. <u>Shares</u> - In the event of permanent incapacitation, the Eligible Employee may sell back the Shares purchased by him anytime to the Trust at the then prevailing FMV, irrespective of whether the Eligible Employee is in service or has resigned (but not terminated) or has superannuated / retired from the Company, its SubCo, HoldCo or any other Tata Group Company, at the time of his permanent incapacitation.</li> </ol>

Sr. No.	Relevant Clause	Original Clause	Revised Clause
17.	Annexure IV ( <i>Exit Options to be provided to Eligible Employees under the Tata Capital Limited Employee Stock Purchase/Option Scheme ("Scheme") - For ESOPs granted under the Scheme, prior to ESOP 2018 plan</i> )	vi. Transfer to other Tata Group Company: 1. <u>Options Vested but not Exercised</u> – Lapsed, as per the respective ESOP plan under the Scheme. 2. <u>Shares</u> - As contemplated in Table A. In case, the said Employee has availed of any loan extended by the company for the specific purpose of purchasing Shares under the said proposal, the Employee would be required to settle the same prior to the transfer. If the transferred Employee exits outside the Tata group company, he would be permitted to keep the Shares with him, as mentioned in the table in Table A.	vi. Transfer to other Tata Group Company: 1. <u>Options Vested but not Exercised – Lapsed</u> , as per the respective ESOP plan under the Scheme. 2. <u>Shares</u> - As contemplated in Table A. In case, the said Employee has availed of any loan extended by the company for the specific purpose of purchasing Shares under the said proposal, the Employee would be required to settle the same prior to the transfer.
18.	Annexure IV ( <i>Exit Options to be provided to Eligible Employees under the Tata Capital Limited Employee Stock Purchase/Option Scheme ("Scheme") - For ESOPs granted under ESOP 2018 plan of the Scheme and thereafter</i> )	i. Resignation (but not termination): 1. <u>Options not Vested</u> – All Unvested Options shall lapse. 2. <u>Options Vested but not Exercised</u> – All Options Vested but not Exercised can be exercised till the last working date. Post the last working date, any unexercised Options will lapse. 3. <u>Shares</u> – There will be no buyback of Shares by the Trust. The Exit will take place only as per the provisions of the respective ESOP plan, as approved by the NRC, from time to time.	ii. Resignation (but not termination): 1. <u>Options not Vested</u> – All Unvested Options shall lapse. 2. <u>Options Vested but not Exercised</u> – All Options Vested but not Exercised can be exercised till the last working date. Post the last working date, any unexercised Options will lapse. 3. <u>Shares</u> – There will be no buyback of Shares by the Trust.



Sr. No.	Relevant Clause	Original Clause	Revised Clause
19.	Annexure IV ( <i>Exit Options to be provided to Eligible Employees under the Tata Capital Limited Employee Stock Purchase/Option Scheme ("Scheme") - For ESOPs granted under ESOP 2018 plan of the Scheme and thereafter</i> )	ii. Termination (Dismissal or Discharge) of services: Subject to the discretion of the NRC: 1. <u>Options not Vested</u> - All Unvested Options shall lapse. 2. <u>Options Vested but not Exercised</u> - All Options Vested but not Exercised, shall lapse. 3. <u>Shares</u> - In case of an Employee whose services are terminated for cause, as provided under the Scheme, all Shares purchased by him shall be sold back to the Trust, at the lower of the FMV, as determined by the last valuation report prior to the date of such termination / vacation or at the price at which he had purchased the Shares from the Trust.	ii. Termination (Dismissal or Discharge) of services: Subject to the discretion of the NRC: 1. <u>Options not Vested</u> - All Unvested Options shall lapse. 2. <u>Options Vested but not Exercised</u> - All Options Vested but not Exercised, shall lapse. 3. <u>Shares</u> - There will be no buyback of Shares by the Trust.
20.	Annexure IV ( <i>Exit Options to be provided to Eligible Employees under the Tata Capital Limited Employee Stock Purchase/Option Scheme ("Scheme") - For ESOPs granted under ESOP 2018 plan of the Scheme and thereafter</i> )	iii. Superannuation / Retirement or Transfer to any Tata Group Company: 1. <u>Options not Vested</u> – All Unvested Options will continue to vest as per the respective ESOP plan under the Scheme, as approved by NRC. 2. <u>Options Vested but not Exercised</u> – All Vested Options can be exercised as per the respective ESOP plan under the Scheme, as approved by NRC. 3. <u>Shares</u> - There will be no buyback of Shares by the Trust. The Exit will take place only as per the provisions of the respective ESOP plan under the Scheme, as approved by NRC.	iii. Superannuation/Retirement or Transfer to any Tata Group Company: 1. <u>Options not Vested</u> – All Unvested Options will continue to vest as per the respective ESOP plan under the Scheme, as approved by NRC. 2. <u>Options Vested but not Exercised</u> – All Vested Options can be exercised as per the respective ESOP plan under the Scheme, as approved by NRC. 3. <u>Shares</u> - There will be no buyback of Shares by the Trust.

Sr. No.	Relevant Clause	Original Clause	Revised Clause
21.	Annexure IV ( <i>Exit Options to be provided to Eligible Employees under the Tata Capital Limited Employee Stock Purchase/Option Scheme ("Scheme") - For ESOPs granted under ESOP 2018 plan of the Scheme and thereafter</i> )	v. Death: <ol style="list-style-type: none"> <li>1. <u>Options not Vested</u> - All unvested Options shall vest immediately in the legal heir(s) or nominee(s) of the Eligible Employee.</li> <li>2. <u>Options Vested but not Exercised</u> - Legal heir(s) / nominee(s) of the Eligible Employee, may exercise the Vested Options by the end date for exercising as per the provisions of the respective ESOP plan under the Scheme, as approved by the NRC.</li> <li>3. <u>Shares</u> - There will be no buyback of Shares by the Trust. The Exit will take place only as per the provisions of the respective ESOP plan under the Scheme, as approved by NRC.</li> </ol>	v. Death: <ol style="list-style-type: none"> <li>1. <u>Options not Vested</u> - All unvested Options shall vest immediately in the legal heir(s) or nominee(s) of the Eligible Employee.</li> <li>2. <u>Options Vested but not Exercised</u> - Legal heir(s) / nominee(s) of the Eligible Employee, may exercise the Vested Options by the end date for exercising as per the provisions of the respective ESOP plan under the Scheme, as approved by the NRC.</li> <li>3. <u>Shares</u> - There will be no buyback of Shares by the Trust.</li> </ol>
22.	Annexure IV ( <i>Exit Options to be provided to Eligible Employees under the Tata Capital Limited Employee Stock Purchase/Option Scheme ("Scheme") - For ESOPs granted under ESOP 2018 plan of the Scheme and thereafter</i> )	vi. Permanent Incapacitation: <ol style="list-style-type: none"> <li>1. <u>Options not Vested</u> - All unvested Options shall vest immediately in the Eligible Employee, on the date of the incapacitation.</li> <li>2. <u>Options Vested but not Exercised</u> - The Eligible Employee may exercise the Options by the end date for exercising, as per the provisions of the ESOP plan under the Scheme, as approved by the NRC.</li> <li>3. <u>Shares</u> - There will be no buyback of Shares by the Trust. The Exit will take place only as per the provisions of the respective ESOP plan under the Scheme, as approved by NRC.</li> </ol>	vi. Permanent Incapacitation: <ol style="list-style-type: none"> <li>1. <u>Options not Vested</u> - All unvested Options shall vest immediately in the Eligible Employee, on the date of the incapacitation.</li> <li>2. <u>Options Vested but not Exercised</u> - The Eligible Employee may exercise the Options by the end date for exercising, as per the provisions of the ESOP plan under the Scheme, as approved by the NRC.</li> <li>3. <u>Shares</u> - There will be no buyback of Shares by the Trust.</li> </ol>

Sr. No.	Relevant Clause	Original Clause	Revised Clause
23.	Table A - Exit Options for Shares held under the Scheme	Notes: 1. The Trust shall have no obligation to re-purchase Shares from the Employees who have separated, by way of resignation, from the Company or its SubCo or its HoldCo or any Tata Group Company and have carried any of their Shares with them. 2. The Shares held by Employees under the Scheme are currently under lock-in with the Depository till March 31, 2023. Best efforts will be made to get the Depositories to suitably extend the lock-in period till the listing of the Shares of the Company.	Note: 1. The Trust shall have no obligation to re-purchase Shares from the Employees who have separated, by way of resignation, from the Company or its SubCo or its HoldCo or any Tata Group Company and have carried any of their Shares with them.

- List ends -

**Schedule – I****15. Retention Period and Procedure**

- 15.1. Each Eligible Employee shall provide an undertaking, in writing, to the NRC and the Trustees that during the Retention Period, if any, the Eligible Employee shall not in any manner (including but not limited to by way of sale or pledge) transfer the Shares save and except to the Trustees acting on behalf of the Trust, in accordance with the provisions of this Scheme.
- 15.2. Save and except as otherwise provided in this Scheme or unless otherwise agreed in writing by the Trust and the Employees, no Eligible Employee shall during the Retention Period, either himself or by instructing any person, directly or indirectly sell, transfer, pledge, charge or otherwise encumber, alienate, bequeath or dispose of in any manner the whole or any part of the legal title or any beneficial interest in, or grant any option or other rights over, any of the Shares to any person nor permit any such alienation, bequest, transfer or disposition, whether voluntary, involuntary, by operation of law or otherwise. If for any reason the Eligible Employee's Shares are attempted to be transferred or transferred by the Employee to any person in violation of the provisions of this Scheme, such a transfer shall be null and void and neither the Company nor any transfer agent shall give any effect in the Company's statutory registers to such attempted transfer. The Trust is hereby authorised by the Members to impose stop transfer instructions with respect to the Shares to ensure that all transfers of Shares comply with this Scheme.
- 15.3. If for any reason the Eligible Employee's Shares are attempted to be transferred or transferred by the Eligible Employee to any person in violation of the provisions of this Scheme, the purported transfer shall have no effect and the Company shall not be bound to register such transfer. During the Retention Period, the Trustees, acting on behalf of the Trust, shall have the right to purchase all, or any portion, of the Eligible Employee's Shares so intended to be transferred (having regard to any recommendations made to the Trustee by the NRC) at the lower of Fair Market Value price as contemplated under this Scheme or the Exercise Price for such Shares.
- 15.4. The sale price of such Shares shall be paid by the Trust to the Eligible Employee by cheque or wire transfer within 15 Business Days from the transfer of the Shares to the Trustees.
- 15.5. Upon the shares of the Company being listed, the Eligible Employee shall have the right to sell the Shares to any person, subject to the provisions relating to lock-in during the Retention Period specified herein.
- 15.6. Notwithstanding anything contained in this Scheme, until the Shares of the Company are listed, the Eligible Employee shall be obligated to sell the Eligible Employee's Shares only to the Trustees, acting on behalf of the Trust, or such other Persons as the Trustees may nominate in this regard on such terms and conditions as may be determined by the NRC and / or the Trustees, at their sole discretion including the purchase price, the number of tranches in which such Shares may be purchased by the Trustees from the Eligible Employees and the number of such Shares that may be purchased in each tranche by the Trustees and the specified time period / window within which such Shares may be purchased by the Trustees. The decision of the NRC and / or the Trustees in this regard shall be final and binding on the concerned Eligible Employee.
- 15.7. Retention of Shares
- 15.7.1. The Shares transferred to and vested in the Eligible Employee pursuant to this Scheme may be deposited by the Trustees on behalf of the Eligible Employee with the Custodian/ Depository Participant and the same may be retained by the Custodian during the entire Retention Period.
- 15.7.2. Any Eligible Employee who has exercised the Option under and pursuant to this Scheme may be required by the NRC to keep his Shares along with duly signed delivery instructions slips issued by the Depository Participant with the Custodian/Depository Participant during the Retention Period.
- 15.7.3. Accordingly, if so required by the NRC,
- (a) each of the Eligible Employees, shall issue a letter to the relevant Custodian/Depository Participant requiring the Custodian/Depository Participant to transfer Shares only to Trustees or any other person as may be notified by the NRC or the Trustees and not to effect any other sale/transfer/pledge at the behest of the Eligible Employee during the Retention Period; or
  - (b) at the option of the Trustees and in consideration of the Trust issuing the Shares to the Eligible

Employee, the Eligible Employee shall on and with effect from and during the currency of the Retention Period, provide to the Trustees, an irrevocable Power of Attorney unconditionally authorizing the Trustees of the Trust, to exercise all the rights as the Member of the Company in the best interest of the Company and not being detrimental to the interest of the Employees, as if the Trustees and/or the Custodian are the Members (and not the Eligible Employee) including without limitation, the right to sign the share transfer forms/delivery instruction slips on behalf of the Eligible Employees, who are Members, to give effect only to transfer of Shares to Trustees or any other person as may be notified by the NRC or the Trustees and not to effect any other sale/transfer/pledge at the behest of the Eligible Employee or otherwise; or

- (c) the NRC or the Trustees may require an Eligible Employee who shall have received any Shares pursuant to this Scheme to execute an undertaking in favour of the Trustees pursuant to which such Eligible Employee shall undertake to the Trustees (on behalf of the Trust) that such Eligible Employee shall only transfer the Shares acquired by him in accordance with the provisions of this Scheme.

### **19. Non-transferability of Shares**

The Shares which are transferred to an Eligible Employee on the Exercise of Option by such Eligible Employee pursuant to this Scheme, shall not be allowed to be transferred to any person save and except as is contemplated under this Scheme and until such time shall be locked in to prevent any such transfer and the Eligible Employee shall, by exercising the Options, be deemed to have consented to such lock-in.

Notwithstanding anything contained in this Scheme, until the Shares of the Company are listed, the Eligible Employee shall be obligated to only sell and transfer the Eligible Employee's Shares to the Trustees, acting on behalf of the Trust or such other person as shall have been nominated by the Trustees in this regard, on such terms and conditions as may be determined by the NRC and / or the Trustees, at their sole discretion including the purchase price, the number of tranches in which such Shares may be purchased from the Eligible Employees and the number of such Shares that may be purchased in each tranche and the specified time period / window within which such Shares may be purchased. The decision of the NRC and / or the Trustees in this regard shall be final and binding on the concerned Eligible Employee.

**TATA CAPITAL LIMITED**  
**Employee Stock Purchase / Option Scheme**

**1. Introduction**

This document is private and confidential and for the purposes of the addressee hereto and sets out the salient features of Tata Capital Limited's ("**Company's**") Employee Stock Purchase/ Option Scheme ("**Employee Stock Purchase / Option Scheme**" or "**Scheme**"), the duties and responsibilities of the Employees as also the benefits and the procedure to be followed.

**2. Purpose**

The objective and purpose of the Scheme is:

- (a) to promote the best interests of the Company and its Members by encouraging Employees to acquire an ownership interest in the Company by purchase of Shares of the Company, thus aligning their interests with those of the Members of the Company;
- (b) to promote the long term interests of the Company by providing an incentive to attract, retain and reward Employees (as defined below) performing services for the Company whether directly as an Employee of the Company or indirectly as an Employee of a Subsidiary Company ("**SubCo**") or the Holding Company ("**HoldCo**") and by motivating such Employees to contribute to the growth and profitability of the Company, and thereby promoting the welfare of the Employees;
- (c) providing or assisting in the provision of general welfare and assistance through the TCL Employee Welfare Trust (hereinafter the "**Trust**") established by the Company for the benefit of the Employees, *inter alia*, with the object that the Trustees should operate a scheme or schemes for providing incentives/motivation to senior employees by way of or similar to employee stock option/purchase schemes.

**3. Definitions & Rules of Interpretation****A. Definitions**

The following terms as used herein shall have the meaning specified:

- 3.1. "**Board of Directors**" or "**Board**" means the collective body of the Directors of the Company.
- 3.2. "**Business Days**" shall mean days on which the Company's offices in Mumbai are open for normal business operations but shall exclude Saturdays and Sundays.
- 3.3. "**Company**" shall mean Tata Capital Limited.
- 3.4. "**Custodian**" shall mean such entity registered to provide custodial services under the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996 and appointed from time to time by the Trustees for the purposes of receiving and holding Shares under this Scheme.
- 3.5. "**Date of Acceptance**" shall mean the date of the communication in writing to the Trustees of the Trust and to the Nomination and Remuneration Committee, of the acceptance of an Offer by an Eligible Employee by way of a letter substantially in the format as annexed hereto as **Annexure II** or such other format as may be prescribed from time to time.
- 3.6. "**Date of Grant**" shall mean such date(s) on which the Letter of Offer shall be issued to the Eligible Employees under this Scheme conferring a right on the Eligible Employee to purchase Shares from the Trust in the manner as contemplated under this Scheme.
- 3.7. "**Date of Vesting**" shall mean such dates as may be specified in the Letter of Offer, provided that such date shall not be less than one year from the Date of Grant or such other period of time as prescribed under the Companies Act, 2013 or any applicable statutory or regulatory rules and/or regulations.
- 3.8. "**Depository Participant**" shall mean such entity registered to act as a participant under the Depositories Act, 1996 and with whom the Trustees shall have opened a dematerialized securities account for the purposes of receiving and holding dematerialized Shares under this Scheme.
- 3.9. "**EGM**" shall have the same meaning as defined in Clause 4.4 of this Scheme.

- 3.10. **"Eligible Employee"** shall mean an Employee who is selected by the Nomination and Remuneration Committee and /or the Board based on the recommendations of the Nomination and Remuneration Committee, as the case may be, for grant of Offer, from time to time and is otherwise eligible for all the benefits under this Scheme and shall exclude (i) an Employee who is a 'promoter' or belongs to a 'promoter group'; and (ii) a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the total issued equity shares of the Company. Notwithstanding anything contained herein, the Nomination and Remuneration Committee in consultation with the Board may recommend such other Employee as eligible for grant of Options in accordance with the provisions contained herein.
- 3.11. **"Employee"** shall mean:
- (a) a permanent employee of the Company who has been working in India or outside India; or
  - (b) a Director of the Company, whether a Whole Time Director or not but excluding an Independent Director; or
  - (c) an employee as defined in clauses (a) or (b) of a SubCo, in India or outside India, or of a HoldCo of the Company, but does not include:
    - (i) an employee who is a promoter or a person belonging to the promoter group; or
    - (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company.
- 3.12. **"Employee Trust"** or **"Trust"** shall mean a trust constituted in order to administer this Scheme and which has been settled by way of a deed executed between the Trustee(s) and the Settlor under the name of the 'TCL Employee Welfare Trust'.
- 3.13. **"Employee Stock Purchase / Option Scheme"** or **"Scheme"** shall mean this Scheme.
- 3.14. **"Exercise of Right or Exercise of Option"** shall mean the making of an Exercise Application by an Eligible Employee to the Trustees for purchase of Shares against the Option(s) vested in him in pursuance of this Scheme.
- 3.15. **"Exercise Price"** shall mean the price payable by the Eligible Employee for the purchase of Shares of the Company pursuant to the Exercise of the Right in pursuance of this Scheme which price may be specified in the Letter of Offer.
- 3.16. **"Exercise Period"** shall mean the period within which the Shares vested in any Eligible Employee have to be purchased and which period may be specified in the Letter of Offer.
- 3.17. **"Exercise Application"** shall mean the prescribed application form substantially in the format as set out in **Annexure III** or such other format as may be prescribed from time to time, in which the Eligible Employee has to apply to the Trustees for an Exercise of Right and shall be accompanied with a cheque/demand draft for an amount equal to the Exercise Price and all other applicable expenses required to be paid by the Eligible Employee in question on or for the purchase of the Shares in question including any amounts required to be reimbursed to the Company for any fringe benefit tax or other similar taxes including without limitation perquisite tax, if any, paid by the Company in relation to either the grant of the Option or the purchase of the underlying Shares by the Eligible Employee as well as such other documents as may be prescribed pursuant to the provisions of this Scheme, for purchase of the Shares vested in him.
- 3.18. **"Fair Market Value"** or **"FMV"** means an amount established by the Nomination and Remuneration Committee which may be determined half - yearly or at such other frequency as the Nomination and Remuneration Committee may decide, based upon information provided by a Registered Valuer who will conduct financial valuation of the Company and recommend a FMV price in accordance with prevalent market practice to value similar schemes.
- 3.19. **"Fully Diluted Share Capital"** shall mean the Share Capital of the Company as calculated assuming the conversion, exercise or exchange of all securities which are convertible into or exchangeable with Shares of the Company, outstanding as of the date of such calculation (whether or not by their terms then currently convertible, exercisable or exchangeable).

- 3.20. "**HoldCo**" shall mean any company which shall be a holding company of the Company in terms of Section 2(46) of the Companies Act, 2013 as may be amended or substituted from time to time.
- 3.21. "**Independent Director**" means an independent director as defined under Section 2(47) of the Companies Act, 2013 and as per applicable laws and regulations, and as may be amended or substituted, from time to time.
- 3.22. "**Key Managerial Personnel**" shall mean such persons as defined under Section 2(51) of the Companies Act, 2013 as may be amended or substituted from time to time.
- 3.23. "**Letter of Offer**" shall mean the letter issued by the Company substantially in the format as set out in **Annexure I** or such other format as may be prescribed from time to time, intimating the Eligible Employee of the Options granted to him for acquiring a specified number of Shares at the Exercise Price in the manner as contemplated under this Scheme.
- 3.24. "**Nomination and Remuneration Committee**" or "**NRC**" means the Committee of the Board constituted, *inter alia*, for supervising, monitoring and also in the process, assisting the Trustees for and in connection with the proper implementation of the Scheme by the Trustees and with the authority to implement and administer this Scheme.
- 3.25. "**Offer**" shall mean the offer, in writing, by the Trust to an Eligible Employee conferring an Option on such Eligible Employee to purchase such number of Shares as may be specified in such offer, from the Trust in the manner as contemplated under this Scheme.
- 3.26. "**Option(s)**" shall mean a right (but not an obligation) granted to an Eligible Employee pursuant to the Offer to purchase specified number of Shares of the Company from the Trust, in the manner as contemplated under this Scheme.
- 3.27. "**Restructuring**" shall have the same meaning as defined in Clause 5.1(l);
- 3.28. "**SEBI ESOP Guidelines**" shall mean Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended, modified, substituted or supplemented from time to time and/or such other rules, regulations or guidelines that may be issued/notified by the Securities and Exchange Board of India from time to time and governing or regulating the issuance, grant or exercise of employee stock options and or shares to employees by companies whose shares are listed or to be listed on any Stock Exchange.
- 3.29. "**Settlor**" shall mean Mr. Shailesh H Rajadhyaksha.
- 3.30. "**Shares**" shall mean the equity shares of the Company of the nominal face value of ₹ 10/- each or such other modified value due to any stock splits, consolidation or other reorganisation of the capital structure of the Company or as may be approved by the Members of the Company.
- 3.31. "**Stock Exchange**" shall mean a stock exchange recognised by the Central Government as is defined in Section 2(j) of the Securities Contracts (Regulation) Act, 1956 as may be amended or substituted from time to time.
- 3.32. "**Subsidiary**" or "**SubCo**" means any company which shall be a subsidiary of the Company in terms of Section 2(87) of the Companies Act, 2013, as may be amended or substituted from time to time.
- 3.33. "**Trustee(s)**" shall mean the person(s) appointed in this behalf under the trust deed dated 2/03/10 executed between the trustee and the settlor ("**Settlor**") thereof ("**Trust Deed**") or under any duly approved modification thereof and who shall hold the property of the Trust in trust for the benefit of the Employees or in accordance with the provisions of the Trust Deed.
- 3.34. "**Unexercised Option**" shall mean any Option which has vested in an Eligible Employee under this Scheme and is not exercised by him within the Exercise Period.
- 3.35. "**Vest**" or "**Vesting**" shall mean the process by which the Eligible Employee is given the right to apply for Shares of the Company against the Options granted to him in pursuance of this Scheme and the term "Vested" shall be construed accordingly.



**B. Rules of Interpretation**

In this Agreement where the context admits:

- (i) any reference to any statute or statutory provision shall include:
  - (a) all subordinate legislation made from time-to-time under that provision (whether or not amended, modified, re-enacted or consolidated);
  - (b) such provision as may, from time-to-time, be amended, modified, re-enacted or consolidated following the date of effectiveness of this Scheme;
- (ii) any reference to the singular shall include the plural and vice-versa;
- (iii) any references to the masculine, the feminine and the neuter shall include the others;
- (iv) the annexures form an integral part of this Scheme and shall have the same force and effect as if expressly set out in the body of this Scheme, and any reference to this Scheme shall include any annexures to it. Any references to clauses and annexures are to clauses of and annexures to this Scheme; and
- (v) headings to clauses and schedules are for convenience only and do not affect the interpretation of this Scheme (or any part thereof).

**4. Administration of Scheme**

- 4.1. The Trustees shall in exercise of the powers conferred on them by the Trust Deed, solely and exclusively administer, manage and operate the Scheme in consultation with the NRC.
- 4.2. The Trustees shall (where necessary in consultation with the NRC) interpret the Scheme and shall, prescribe, amend, and rescind rules and regulations relating to the Scheme, and make all other determinations necessary or advisable for its administration. The decision of the Trustees on any question concerning the interpretation of the Scheme or its administration with respect to any grant under the Scheme shall be final and binding upon all Employees. No member of the NRC or any Trustee shall be liable for any action or determination made in good faith with respect to the Scheme hereunder.
- 4.3. The Trustees shall (where necessary in consultation with the NRC), while arriving at the decision on the quantum of the Shares for which an Offer may be made to an Eligible Employee, take into consideration the attributes such as (but not limited to) the grade of the Employee, his contribution to the overall performance of the Company (or its SubCo or the HoldCo as applicable), the performance of any division of the Company (or any division of its SubCo or the HoldCo as applicable) to which such Employee belongs, the importance of the Employee to the future performance and success of the Company (or its SubCo or the HoldCo as applicable), the sense of loyalty towards the Company (or its SubCo or the HoldCo as applicable), the significance of the Employee in enterprise valuation of the Company (or its SubCo or the HoldCo as applicable), etc. Without prejudice to the generality of the foregoing, the decisions of Trustees as above shall, be reasonably consistent with the recommendations made by the NRC pursuant to Clause 5.
- 4.4. Notwithstanding anything stated herein, subject to the terms of the Special Resolution passed by the Members of the Company at the Extra-Ordinary General Meeting of the Company held on March 2, 2010 (“EGM”) approving the Scheme and any amendments made from time to time at General Meetings, as required by law, the Trustees in consultation with the NRC, shall have the authority to determine the following, all in a manner consistent with the provisions of this Scheme and applicable law:
  - a) the number of Shares to be allocated to each Eligible Employee;
  - b) the date by which the Eligible Employee is required to furnish a written acceptance of the Offer;
  - c) the number of tranches in which Shares may be purchased by Eligible Employees and the number of Shares that may be purchased in each tranche;
  - d) the Exercise Price for Shares covered under the Offer(s) issued / to be issued by the Trustees;
  - e) the Exercise Period within which Shares would have to be purchased by an Eligible Employee;

- f) the conditions under which Shares vesting in an Eligible Employee may lapse including in case of termination of employment of such Eligible Employee for any misconduct or fraud or for any loss of confidence in such Eligible Employee by the management of either the Company, the HoldCo or any SubCo, as the case may be;
- g) the right of an Eligible Employee to purchase all the Shares vesting in such Eligible Employee at one time or at various points of time within the Exercise Period;
- h) the amendment, applicability or modification of any of the above in relation to any Employee or group or class of Employees;
- i) interpreting (where necessary) the provisions of this Scheme for the purpose of meeting the purposes and objectives of this Scheme and such other steps as may be felt necessary or expedient for administering this Scheme, subject to the terms of the Trust Deed and applicable law.

4.5. The terms prescribed by the Trustees shall be final and binding on all the Eligible Employees.

4.6. The Trustees may borrow such amount of funds from the Company or any other party as may be required for the purchase of the Shares for the purpose of this Scheme, subject to the terms and conditions of the Trust Deed.

## 5. Powers and authority of the Nomination and Remuneration Committee

5.1. Subject to the terms of the resolution passed by the Members of the Company at the EGM approving the issue of Shares to the Eligible Employees under this Scheme, and in terms of the Special Resolution(s) passed by the Members of the Company from time to time at General Meetings, as required by law, the NRC shall have the power and authority to determine certain aspects and terms governing this Scheme, in its absolute discretion including but not limited to the following:

- a) determining the Eligible Employees amongst the different categories of Employees to whom the Offer is to be made;
- b) criteria for determination of the Eligible Employee to whom Options are to be offered;
- c) the time when the Options would be granted;
- d) the criteria for determining the number of Options to be granted to the Eligible Employees;
- e) the period and date/s in relation to which the criteria for determining the number of Options to be granted are to be determined and fulfilment of conditions to be verified;
- f) the number of Options to be granted to each Eligible Employee provided that the same does not exceed 0.25% of the Fully Diluted Share Capital;
- g) the terms and conditions subject to which the Options Vesting would be exercisable by the Eligible Employee;
- h) the number of Options to be apportioned/allocated for various grades of Eligible Employees;
- i) assignment of weightage to length of service, grade and performance rating of the Eligible Employee;
- j) the conditions under which Options vesting in an Eligible Employee may lapse;
- k) subject to the approval of the Members by way of a Special Resolution at a General Meeting, amendment of the terms of this Scheme which is not detrimental to the interests of the Employees;
- l) the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues or any change in control or constitution of the Company or any re-structuring of the Company including but not limited to merger, de-merger, amalgamation, reverse merger or subsidiarisation (any such merger, de-merger, amalgamation, reverse merger or subsidiarisation is referred to as "**Restructuring**"). The NRC shall seek appropriate consultation with the Board and may further seek professional assistance or otherwise engage professional consultants for such advice as may be required for this purpose;

- m) the specified time period within which the Eligible Employee shall exercise the vested Options in the event of termination or resignation of such Eligible Employee;
- n) the applicability or modification of any of the abovementioned terms of this Scheme in relation to any Employee or group or class of Employees;
- o) vary/modify the Exit Options, as detailed in **Annexure IV** of this Scheme from time to time and any such variation/modification shall be deemed to be automatically part of this Scheme; and
- p) Terms and conditions under which Vested Options can be exercised or the Shares held by the Eligible Employees be retained.

5.2. Notwithstanding the above, the NRC shall have the absolute discretion to determine whether Options would be granted to an Eligible Employee and may decide not to grant any Options for any reason whatsoever, including in the event, the NRC is of the view that the Eligible Employee has not performed upto the expectations on which such Eligible Employee was appointed, or has not been regularly attending office for a substantial period of time without any valid reason or authority, or is perceived to be guilty of misconduct, or has violated the terms of employment or policies or procedures or codes, or on account of any other circumstances as the NRC may in its absolute discretion decide.

## **6. Post-issue equity dilution**

6.1. The Company shall ensure that the aggregate allotment of Shares under this Scheme, shall at all times, not exceed 2.5% of the Fully Diluted Share Capital of the Company.

## **7. Total number of Shares in respect of which Options could be granted (Total available Options)**

7.1. The maximum total number of Shares of the Company transferred to the Trust by the Company to be held for the benefit of the Employees under this Scheme, initially was 63,500,000 Shares i.e. 2.489% of the Fully Diluted Share Capital of the Company as at February 1, 2010. The same represents the Shares approved for issue for this purpose by the Members at the EGM. In the event of any future increase in the issued and paid-up Share capital of the Company, the maximum total number of Shares with respect to which Options may be granted shall be 2.5% of the Fully Diluted Share Capital of the Company. Provided however that, if any additional Shares be proposed to be issued/ transferred to the Trust, appropriate prior approvals of the Board of the Company and the Members of the Company shall be sought at such time.

## **8. Offer Terms and Acceptance of the Shares**

8.1. Subject to the terms and conditions contained herein, the Trustees may, in consultation with the NRC, at any time and from time to time, make an Offer under this Scheme to any Eligible Employee to purchase such number of Shares at a specified Exercise Price as it shall designate in the Letter of Offer. However, no Eligible Employee shall be made an Offer under this Scheme to purchase Shares that are in excess of 0.25% of the Fully Diluted Share Capital of the Company save and except where specifically approved by the Board. The Board at its discretion may advise the NRC to make an Offer to an Eligible Employee under this Scheme to purchase Shares in excess of 0.25% of the Fully Diluted Share Capital.

8.2. The Eligible Employee shall communicate his/her acceptance (in substantially the form set out on **Annexure II** hereto) to the NRC within 90 days from the date of Offer specifying the number of Shares he would like to accept in the manner as may be specified. The Shares allotted to the Eligible Employee shall vest in the manner as set out in the Letter of Offer.

8.3. If the Eligible Employee does not communicate his/her acceptance within 90 days from the date of Offer, the Offer shall automatically lapse.

## **9. Grant of Option and basis of determining the number of Options to be Granted**

9.1. The actual number of Options to be granted to each Eligible Employee would be in accordance with the criteria as may be determined in this regard by the NRC at its absolute discretion; provided that the NRC, shall not Grant any Options for Shares exceeding in the aggregate, 2.5% of the Fully Diluted Share Capital as on February 1, 2010, without the prior approval of the Members of the Company by way of a separate resolution.

- 9.2. The Eligible Employees shall have the option, but no obligation to exercise Options offered to him, to purchase Shares of the Company during the Exercise Period.
- 9.3. Any and all allocation of Options to Eligible Employees by the Trust shall be preceded with an approval(s) by the NRC for such allocation.
- 9.4. The Options allotted under this Scheme, shall at all times, upon Exercise, not exceed 2.5% of the Fully Diluted Share Capital of the Company.
- 9.5. The amount, if any, payable by the Eligible Employees, at the time of Grant of Option:
  - a) may be forfeited by the Company, if the Option is not exercised by the Eligible Employees within the Exercise Period; or
  - b) may be refunded to the Eligible Employees, if the Options are not vested due to non-fulfilment of conditions relating to Vesting of Option as per the Scheme.

## **10. Non-transferability of Option**

The Option granted to the Eligible Employee shall not be transferable.

## **11. Vesting of the Options Granted**

11.1. The period between the Date of Grant and Date of Vesting (“**Vesting Period**”) shall be determined by the NRC, provided that the Vesting Period shall not be less than one year or such period as may be specified under the applicable laws, as amended from time to time.

Provided that in no event shall the period between the Date of Grant and Date of Vesting exceed the validity period of this Scheme.

11.2. In case, options are granted by the Company under its Employees Stock Option Scheme in lieu of options held by the same person under an Employees Stock Option Scheme in another company, which has merged or amalgamated with the Company, the period during which the options granted by the merging or amalgamating company were held by him shall be adjusted against the minimum vesting period required under this clause.

11.3. Notwithstanding anything contained herein, the NRC, at its sole and absolute discretion shall have the right to advance or postpone any or all Vesting under this Scheme either in respect of all Eligible Employees or for a group of Eligible Employees or for an individual Eligible Employee, subject to applicable laws.

## **12. Exercise Period, Exercise Price and Procedure**

12.1. The Exercise Period in respect of the Vested Options shall commence from the Date of Vesting and will lapse on completion of one year from the Date of Vesting or within such further period as may be determined by the NRC from time to time.

12.2. Notwithstanding the provisions of Clause 12.1 above, the NRC shall have the right, at its sole discretion, to determine the Exercise Period of any Options for any Eligible Employee or any group or class of Eligible Employees.

12.3. Notwithstanding anything contained herein, in the event the Eligible Employee has not exercised the vested Options prior to the expiry of the Exercise Period, the Options shall lapse.

12.4. The exercise of an Option by the Eligible Employee during the Exercise Period shall be communicated by delivering a duly completed Exercise Application (substantially in the format as set out in Annexure III or such other format as may be prescribed from time to time) signed by such Eligible Employee to the Trustees.

12.5. The Eligible Employee exercising his Option would be required under the Exercise Application to mention the number of Shares that he/she is willing to purchase under this Scheme. For the Exercise of Right (whether in whole or in part) by an Eligible Employee at any time during the Exercise Period, the Eligible Employee in question must, execute all such documents, deeds and other writings during the Exercise Period as may be specified in this regard by the NRC.

12.6. At the time of delivery of an Exercise Application, the Eligible Employee in question shall be required to simultaneously pay to the Trust, the aggregate amount payable for purchase of the Shares which

shall comprise the applicable Exercise Price payable for the Shares in question and any other amount required to be paid by the Eligible Employee in question under the provisions of this Scheme. Any transfer of Shares from the Trust to the Eligible Employee in question shall only take place at the end of the calendar month in which the Exercise Application in question was delivered by the Eligible Employee in question provided however that in the event an Exercise Application is delivered within the last 7 days of any calendar month, then any transfer of Shares from the Trust shall take place only at the end of the immediately following calendar month. It is clarified that the time-periods set out in this Clause for transfer of Shares to the Eligible Employee are indicative in nature and none of the Trustees, the Trust or the Company shall be liable in case the said time-periods are not met, with regard to any particular transfer of Shares.

- 12.7. The Eligible Employee shall comply with all statutory and regulatory requirements then applicable to the Exercise of the Right under this Scheme. Once lodged, an Exercise Application shall be irrevocable save with the consent of the NRC.
- 12.8. The Employee should also give an undertaking, if it is requested by the Company, that the Shares have been acquired by him in accordance with the provisions contained herein.
- 12.9. The Exercise Price per Share shall be the Fair Market Value of the Shares determined at the Date of Grant or such other price as may be determined by the Trustees in consideration with the NRC.
- 12.10. Upon an Exercise of Right, the Eligible Employee in question shall be entitled to receive Shares from the Trustees in the manner as contemplated under this Scheme. All Shares delivered by the Trust to an Eligible Employee shall be delivered only in a dematerialized form.
- 12.11. The right to apply and obtain delivery of the Shares will lapse if not exercised within the specified Exercise Period.

### **13. Fractional Shares**

In the event of Exercise of Options resulting in fractional Shares, the number of fractional Shares shall be rounded up to the nearest whole number of Shares.

### **14. Loans for purchase of Shares**

- 14.1. Loans may be extended to Eligible Employees by the Company and its HoldCo or SubCo, as the case may be, for purchase of Equity Shares of the Company under the Scheme, as approved by their respective boards, subject to due compliance of applicable laws.
- 14.1.1. Such loans shall be provided by the company in which the Eligible Employee is employed, in accordance with the applicable laws, the conditions of service applicable to such Eligible Employee and the Remuneration Policy, if any, adopted by the respective company.
- 14.1.2. The Directors or Key Managerial Personnel of the Company, the HoldCo and the SubCo shall not be entitled to such loans, unless permitted by law.
- 14.2. Loans may be extended to the Trust by the Company and its subsidiaries for purchase of or subscription for the Equity Shares of the Company, subject to due compliance of applicable laws.

### **15. Payment by Eligible Employees**

- 15.1. The Exercise Price for Shares to be acquired upon the Exercise of Option by an Eligible Employee shall be paid fully by cheque or bank draft payable at Mumbai at the time of delivery of an Exercise Application. The cheque or bank draft shall be drawn in favour of the Trust duly crossed.
- 15.2. Each Eligible Employee shall pay the stamp duty (if any), other cost, charges and expenses related to transfer of Shares from the Trust to the Eligible Employee in question. Each Eligible Employee shall also pay to the Trust any amount of any fringe benefit or perquisite tax that may be levied on the Company or the Trust/Trustees as a consequence of the Options granted to such Eligible Employee or the Shares transferred to such Eligible Employee upon an Exercise of Right.

### **16. Event of death/permanent incapacity of the Eligible Employee who has been Granted Options or who has received Shares**

- 16.1. Notwithstanding anything contained herein, in case of the death or permanent incapacity of any Eligible Employee whilst in the service/employment or directorship of the Company, the SubCo or the HoldCo

(as the case may be), the treatment of the Options shall be in accordance with certain Exit Options, as contemplated in **Annexure IV**, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme.

- 16.2. In case of the death of any Eligible Employee whilst in the service/employment or directorship of the Company, the SubCo or the HoldCo (as the case may be), the Vested Options shall be Exercisable by the person(s) nominated by such Eligible Employee or if nobody is so nominated, by his legal heir and such Exercise shall be effected after the completion of the time period as may be determined by the NRC from time to time, in writing. The mode of nomination would be intimated by the Company. Such nominee / legal heir shall also be bound by the provisions of this Scheme.
- 16.3. In case of the death of any Eligible Employee who has not nominated any person(s), the Options granted and whether or not vested, will vest in and shall be exercisable by the legal heir(s) of the deceased Eligible Employee after the completion of the time period as may be determined by the NRC from time to time, in writing; Provided however that the legal heir(s) shall be required to produce to the Company all such documents / indemnities as may be required by the Company to prove the succession of the estate of the deceased Eligible Employee. In case the proof of succession is not produced to the Company within two years from the date of death of the Eligible Employee or such further time as the NRC may permit in its absolute discretion, the Options shall be treated as lapsed and shall be available for grant by the NRC to any Eligible Employee(s) or other Employee(s) as it may deem fit in its sole and absolute discretion.
- 16.4. In case of permanent incapacity of the Eligible Employee whilst in the service/employment or directorship of the Company, the SubCo or the Hold Co (as the case may be), such Eligible Employee shall be provided with certain Exit Options, as contemplated in **Annexure IV**, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme.
- 16.5. Notwithstanding anything contained herein, in case of the death of any Eligible Employee, the Shares held by such Eligible Employee shall be transferred to and vest in case of death, in the person(s) nominated by such Eligible Employee or if nobody is so nominated, in his legal heir(s) (provided however that the legal heir(s) shall be required to produce to the Company all such documents / indemnities as may be required by the Company to prove the succession of the estate of the deceased Eligible Employee) who shall be provided with certain Exit Options, as contemplated in **Annexure IV**, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme.

## 17. Exit Options

### 17.1. While in service or on resignation or on transfer of the Employee

- 17.1.1. In case of resignation of an Eligible Employee from the employment or directorship of the Company, the SubCo or the HoldCo (as the case may be), otherwise than upon retirement/superannuation or transfer to another Tata company or Tata enterprise such Eligible Employee shall be provided with certain Exit Options, as contemplated in **Annexure IV**, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme.
- 17.1.2. In the event of transfer of an Eligible Employee to another Tata company, Tata enterprise or any other company which is approved by the Board, then such Eligible Employee shall be provided with certain Exit Options, as contemplated in **Annexure IV**, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme.
- 17.1.3. In the event an Eligible Employee resigns from the employment or directorship of the Company, the SubCo or the HoldCo (as the case may be) or if an Eligible Employee is in service with Company, the SubCo or the HoldCo (as the case may be), such Eligible Employee shall be provided with certain Exit Options, as contemplated in **Annexure IV**, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme.

### 17.2. Due to termination (dismissal or discharge) of the Eligible Employee

- 17.2.1. In case the NRC perceives that any Eligible Employee is liable for misconduct or violation of any policies or any code of conduct or terms and conditions of employment or directorship of such Eligible Employee, the NRC will have the authority (on recommendation to that effect by the management of the company in which such Eligible Employee shall be either a director (of whatever sort) or a permanent employee) to allow the lapse of the Options granted, whether or

not vested in such Eligible Employee but not exercised. The decision of the NRC as aforesaid would be final and binding on the concerned Eligible Employee, for the purpose of this Scheme. However, if such Eligible Employee was not found guilty of such misconduct or violation, all the Options shall be re-issued to such Eligible Employee and all the benefits shall accrue to the Eligible Employee as if the Options had been granted from the original Date of Grant.

- 17.2.2. Suspended Employees and Employees under enquiry: The treatment of Options not vested and the Options vested but not Exercised in case of an Eligible Employee who has been suspended from the services/directorship of the Company, the SubCo or the HoldCo (as the case may be) or to whom a show cause notice has been issued or against whom an enquiry is being or has been initiated for any reason whatsoever including but not limited to misconduct, violation of policies or codes of conduct or for having committed or abetted any illegal or unlawful activity may, on the recommendation of the management of the company where Eligible Employee is a director (of whatsoever sort) or a permanent employee (as the case may be), be suspended or kept in abeyance or cancelled, at the sole discretion of the NRC. In case of Options that have been suspended or kept in abeyance, the same may thereafter Vest in the concerned Eligible Employee on such additional terms and conditions, if any, as may be imposed by the NRC at its absolute discretion.
- 17.2.3. Further, in certain extraordinary circumstances where any Eligible Employee has committed any act or omission which in the sole discretion and opinion of the NRC amounts to an act of moral turpitude and/or has resulted into loss of confidence, the management of the company where such Eligible Employee shall be a director (of whatever sort) or shall be a permanent employee as the case may be, will be entitled to recommend the cancellation of the Options vested and the Options vested but not exercised with respect to such Eligible Employee to the NRC who shall be entitled to thereupon cancel such Options. It is further clarified for the purpose of this Clause that the right of recommendation and deciding whether such an act or omission has occurred and whether any cancellation is to be given effect to, will be at the sole discretion of the NRC (on recommendation of the management) without necessitating and/or undertaking any enquiry or investigation with respect to such matter.

### 17.3. Due to retirement/superannuation of the Employee

- 17.3.1. All Options whether unvested (the vesting of which is only and wholly conditional upon efflux of time, and not on the achievement of business or functional results) or vested but not Exercised by the Eligible Employee as on the date of his retirement/superannuation in the normal course, shall be as contemplated in **Annexure IV**, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme and can be exercised by the Eligible Employee, within the Exercise Period specified under Clause 12 above, unless the NRC decides otherwise.
- 17.3.2. Upon retirement/superannuation of the Eligible Employee in the normal course, the Eligible Employee may sell the Shares to the Employee Trust, as contemplated in **Annexure IV**, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme.
- 17.3.3. For the purpose of this Clause, retirement/superannuation in normal course would mean attaining such age as may be specified for retirement/superannuation by the Company, SubCo or HoldCo (as the case may be) for a Director or an Employee (as may be applicable) or on expiry of any extension of service allowed by the Company, SubCo or HoldCo (as the case may be), pursuant to any Regulations or Guidelines adopted by the Company, SubCo or HoldCo (as the case may be) for a Director or an Employee (as may be applicable).
- 17.3.4. In case of termination of the services of the Eligible Employee due to his retirement/superannuation pursuant to a scheme of voluntary retirement/superannuation as may be formulated by the Company, SubCo or HoldCo (as the case may be) the terms relating to Right of Exercise shall be separately framed by the NRC, as and when required.
- 17.3.5. In the event of retirement/superannuation of the Eligible Employee, the treatment of (i) the Vested Options; and (ii) the Options that are vested but not Exercised, shall be as contemplated in **Annexure IV**, as may be modified or varied, from time to time, in accordance with the provisions of this Scheme.

**18. Transferability of Shares**

The Shares which are transferred to an Eligible Employee on Exercise of Option pursuant to this Scheme shall be freely transferable to any person as permitted under applicable laws.

**19. Accounting policies**

The Company shall comply with the accounting policies and guidelines as may be applicable from time to time.

**20. Other conditions**

20.1 Upon listing of the shares on a Stock Exchange, any options to be granted after the shares are listed on a Stock Exchange, shall be governed by the SEBI ESOP Guidelines. Upon such listing, the NRC shall have the right to amend any and all terms governing and applicable to Shares and / or Options already granted under the Scheme, if required, under the SEBI ESOP Guidelines.

20.2 The Trust will not be obliged to sell/transfer any Shares upon the Exercise of Option by an Eligible Employee or otherwise unless the sale and transfer of such Shares complies, in the judgement of the Trustees, with the Scheme and all relevant provisions of applicable laws including, but not limited to, any applicable securities laws and the requirement of any Stock Exchanges on which the Shares are listed (and traded).

20.3 In the event of the Company issuing any Shares or other benefits (other than the dividends declared and/or paid) to the existing members at any time after the date of the Offer to the Eligible Employees or in case of other corporate actions like rights issues, bonus issues or the like, the NRC, at its sole discretion, will have the right to adjust the number of Options and/or alter the Exercise Price in respect of Options which are not Exercised to ensure that similar benefits accrue to the Eligible Employees to whom the Options are granted.

For example, in case of bonus issue, whereby bonus shares have been issued in the ratio of 1:1 to the members holding Shares, if the Options have been granted but have not vested prior to such bonus issue, such Eligible Employees shall be entitled to be transferred upon Exercise by the Trustees, one additional share that shall have accrued, for each Share, had such Eligible Employee Exercised the Options granted. However, if the Options have Vested but have not been Exercised by the Eligible Employee prior to such bonus issue, such Eligible Employee shall be entitled to purchase Shares at half (1/2) of the Fair Market Value of the Shares as on the Date of Grant upon Exercise of the Options granted.

**20.4 Tax Liability:**

20.4.1. The liability of paying tax including perquisite tax, if any, on the Options granted pursuant to this Scheme and the Shares transferred pursuant to Exercise of Options shall be entirely on the Eligible Employees who shall have received such Options and the Shares in question and shall be in accordance with the provisions of the Income-Tax Act, 1961 and the rules framed thereunder or any other taxing statute. In the event of any amendments or modifications to the provisions of the Income-tax Act, 1961 (including any re-enactment thereof) and/or the rules framed thereunder, as existing on the date of this Scheme, the NRC shall have the power to amend or modify this Scheme, without consent of the Eligible Employees or the Members, as the case may be, in order to ensure that the Company or the Trust is in the same position as it would have been had the amendments or modifications to the Income Tax Act, 1961 and/or the rules framed thereunder not been made.

20.5 In the event of any tax liability arising on account of the issue or allotment or transfer of the Shares to an Eligible Employee, the liability shall be that of the Eligible Employee alone. Accordingly, if any tax is payable by the Company or the Trust, the same shall be paid by the Eligible Employee to the Company or the Trust. Any amounts received towards such tax payment by the Trust or the Company as the case may be shall be immediately passed on to the entity required to make the tax payment in question.

20.5.1. All tax liabilities arising on the sale of the Shares by the Employee would require to be handled by the Employee alone.

20.5.2. In the event of any tax liability arising on account of this Scheme, the Company shall have the right to deduct/recover the same from the Employee in any manner as the Company may deem fit.



**21. Lapsed Shares**

In case any Options issued to Eligible Employees are not exercised by the respective Eligible Employees during the Exercise Period, such Options shall (unless otherwise determined by the Trustee(s) in consultation with the NRC) irrevocably lapse and the same may be granted afresh by the NRC to such Eligible Employee(s) or other Employees, either under this Scheme or otherwise, as the NRC may deem fit in its sole and absolute discretion.

Further, Shares if any, in respect of which Options have lapsed under this Scheme, shall be available for grant, to the Eligible Employees or other Employees, either under this Scheme or otherwise, at the sole and absolute discretion of the Trustees in consultation with the NRC. The terms, *inter alia*, relating to Exercise Price and Exercise Period in respect of such lapsed Shares to be granted, as aforesaid, will be determined by the NRC at the time of grant as it may deem fit at its absolute discretion.

**22. Rights prior to issuance of Shares**

22.1. Neither the Eligible Employee nor any person claiming under or through the Eligible Employee will have any of the rights or privileges of a Member of the Company (including the right to receive any dividends or to vote at any meeting of the Company) in respect of any Shares to be issued upon Exercise of the Options unless and until certificates representing such Shares have been issued and delivered or, if the Shares may be held in dematerialised form, unless appropriate entries evidencing such transfer is made in the register of Members of the Company/Statement of Beneficial Position maintained by the Depositories. No adjustment shall be made for dividends or other rights with respect to such Shares for which the record date is prior to the date the certificate is issued or the Shares electronically transferred.

**23. Ranking of Shares**

The Shares issued to an Eligible Employee under this Scheme would rank *pari-passu* with the existing Shares of the Company save and except that such Shares shall carry the right to receive either the full dividend or a *pro rata* dividend (if any) from the date of allotment/transfer, as may be determined by the Board, declared for the financial year in which the new Shares are allotted/transferred.

**24. Compliance with Regulatory Provisions**

24.1 This Scheme shall be subject to all applicable laws, rules, regulations, notifications and to such approvals by Members and any governmental agencies as may be required in law. The grant of the Shares under this Scheme shall entitle the Company to require the Employees to comply with such requirements of law in force from time to time.

24.2 Anything to the contrary herein notwithstanding, the Company's obligation to sell and deliver Shares under this Scheme is subject to such compliance with laws, rules and regulations applying to the authorisation, issuance or sales of securities, as the Company deems necessary or advisable.

**25. Effective date and duration**

25.1 This Scheme came into force on March 2, 2010, being the date on which this Scheme was approved by the Members at the EGM. On and from this Scheme coming into force, the provisions of this Scheme shall be binding on all Eligible Employees receiving from time to time any Options and/or Shares pursuant to the Exercise of Options under this Scheme.

25.2 The Scheme shall remain in effect until (i) all the Shares transferred to the Trust under the Scheme have been purchased by the Eligible Employees; or (ii) the Members passing a resolution for the termination of this Scheme, whichever is earlier.

25.3 In the event the Company is desirous of terminating the Scheme and the Members pass appropriate resolution to that effect, all Options granted to the Eligible Employees but not vested shall automatically vest on the Eligible Employees and the Eligible Employee shall have 6 (six) months to Exercise such Options.

**26. Confidentiality**

26.1 This Scheme is private and confidential and is meant exclusively for the Employees (as defined in Clause 3.11) only. Any Employee holding any Shares under this Scheme shall not divulge details of this Scheme to any other person without the prior written permission of the Trustees / NRC.

26.2 Each Employee purchasing any Shares under this Scheme shall enter into such agreements, as the Company may desire from time to time or perform such further acts and execute such further documents as may be necessary to carry out and give full effect to the provisions of this Scheme and the intentions of the parties.

26.3 The Board shall, *inter alia*, disclose in the Directors' Report, such disclosures as may be required under the Companies Act, 2013 read with the Rules framed thereunder, as may be amended from time to time and under, any other applicable law and include such other details as the Directors may deem fit to disclose.

The Employees shall not have any right to object to such disclosure by the Company.

26.4 In case of non-adherence to the provisions of this Clause, the NRC will have the authority to deal with such cases as it may deem fit at its absolute discretion.

## **27. Restructuring of the Company**

Upon the occurrence of any Restructuring, the NRC in consultation with the Board shall be entitled to issue instructions to the concerned Eligible Employees with respect to the holding of Unexercised Options (whether such Options are Vested or not) by such Eligible Employees or Shares received pursuant to any exercise of any Options and such instructions shall be binding on such Eligible Employees.

## **28. No Right to an Award**

Neither the adoption of this Scheme nor any action of the NRC or the Trust shall be deemed to give an Employee any right to be granted Options to purchase Shares or to any other rights except as may be evidenced by the Letter of Offer.

## **29. No Rights Conferred**

29.1 Nothing contained in this Scheme shall:

- (i) confer upon any Employee any right with respect to continuation of employment or engagement with the Company;
- (ii) interfere in any way with the right of the Company to terminate employment or services of any Employee at any time; or
- (iii) shall be construed as affording an individual any additional rights as to remuneration or damages in consequence of the termination of the office or employment in the Company for any reason.

29.2 This Scheme shall be at the discretion of the Trustees in consultation with the NRC and shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.

29.3 This Scheme and the offer made herein are personal to the Employees and shall not be capable of assignment.

## **30. Risks associated with the Scheme**

Participation in this Scheme shall not be construed as guarantee or assurance of any return on the equity investment in the Shares. Any loss due to the fluctuation in the market price or Fair Market Value of the Shares and the risks attached with the investment are that of the Eligible Employee alone and neither the Company nor the Trust, the NRC (or its members) or the Trustees shall be responsible for the same.

## **31. No Restriction on Corporate Action**

The existence of this Scheme and the grants made hereunder shall not in any way affect the right or the power of the Board or the Members of the Company to make or authorise any change in capital structure; including any issue of shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof or from taking 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 this Scheme or any grant made under this Scheme. No Employee or other person shall have any claim against the Company as a result of such action or a right to object to the Scheme.

## **32. New Schemes**

Nothing contained in this Scheme shall be construed to prevent the Company directly or through any trust settled by any company, from implementing any other new scheme for granting stock options and/or share

purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on this Scheme or any Grant made under this Scheme. No Employee or other person shall have any claim against the Company and/or trust as a result of such action.

**33. Severability**

In the event that any term, condition or provision of this Scheme is held to be a violation of or contrary to, any applicable laws, statute or regulation, the same shall be severable from the rest of this Scheme and shall be of no force and effect and this Scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Scheme.

**34. Amendment**

This Scheme may be changed after the date it comes into effect. However, no change to the Scheme shall be detrimental to the interests of the Employees. The Company may by a special resolution in a general meeting vary the terms of the Scheme provided such variation is not prejudicial to the interest of the Employees. Notwithstanding the forgoing, the NRC shall also be entitled to exercise the powers granted to it under the provisions of Clause 5 above. The Board shall also be entitled to exercise the powers granted to it under the provisions of Clause 8.1 above.

In the event of an occurrence in the change in applicable law takes place and such change in applicable laws have the effect of amending/modifying any of the provisions of this Scheme, then such applicable laws shall be deemed to automatically amend or modify the Scheme and the provisions of the Scheme shall be interpreted accordingly.

In the event the Shares of the Company are listed on a recognized Stock Exchange, this Scheme shall be amended to bring the same in compliance with the SEBI ESOP Guidelines and, accordingly, any Options Granted but which have not been Exercised or which are to be Granted after the listing of the Shares on a Stock Exchange, shall be governed by the SEBI ESOP Guidelines.

**35. Approval of Scheme**

This Scheme was initially approved by the Board at its Meeting held on February 1, 2010 and approved by the Members at the EGM on March 2, 2010 and has thereafter been amended from time to time. This Scheme has been and can be amended by the Board, Trustees, NRC and the Members, from time to time, subject to compliance with applicable laws.

**36. Arbitration**

All disputes arising out of or in connection with this Scheme shall be exclusively and irrevocably referred to for arbitration to a single arbitrator to be appointed by the Company. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996, as amended from time to time. The place of Arbitration shall be Mumbai, India. The parties to such arbitration agree to have their dispute resolved by fast track procedure specified in Section 29B of the Arbitration and Conciliation Act, 1996.

**37. Governing Laws and Jurisdiction**

The terms and conditions of this Scheme shall be governed by and construed in accordance with the laws of India and subject to the provisions of Clause 36 above, to the exclusive jurisdiction of Courts in Mumbai, India.

**ANNEXURE I**

Format of Letter of Offer

ON THE LETTERHEAD OF THE TRUST**STRICTLY PRIVATE & CONFIDENTIAL**

[Date]

Reference No. [●] / Employee No. [●]

Dear Mr./Mrs./Ms. [●],

**Sub: Letter of Offer**

Terms used herein but not defined shall have the meaning contained in the Tata Capital Limited - Employee Stock Purchase / Option Scheme.

The Members of Tata Capital Limited ("**Company**") had approved the "Tata Capital Limited Employee Stock Purchase/Option Scheme" ("**Scheme**") and authorized the Nomination and Remuneration Committee to issue [●] stock options in respect of [●] Equity Shares of ₹ 10/- each which are held by the TCL Employee Welfare Trust ("**Trust**") to Eligible Employees and Directors of the Company, its SubCo (as defined under the Scheme) and the HoldCo (as defined under the Scheme) in accordance with the provisions of the Scheme.

A copy of the Scheme is uploaded on the intranet of the Company.

In terms of the abovementioned Members' approval and the Scheme, the Exercise Price per Equity Share of the Company ("**Share**") would be the Fair Market Value (as defined in the Scheme) of the Share. In accordance with the provisions of this Scheme, the amount of Tax, in the nature of perquisite tax or any similar tax, if any, payable by the Company or the Trust in respect of Options/Shares granted pursuant to this Scheme, shall be paid by the Option/Shares holder to the entity required to make payment of the applicable amount in tax at the time of exercise of Offer/Options. The number of stock options granted to each employee has been determined in accordance with the criteria approved by the Nomination and Remuneration Committee.

I am pleased to inform you that you have been granted [●] stock options representing [●] Shares with an exercise price of ₹ [●]/- Share as on *[insert Date of Grant]*.

The Options/Shares granted to you will be subject to the terms and conditions stipulated in the Scheme.

*[Details of proposal to be mentioned]*

I am confident that this will inspire all of us to take our Company to greater heights of success and glory in the future. It may please be noted that participation in this Scheme shall not be construed as a guarantee or assurance of any return on the equity investment in the Shares. Any loss due to the fluctuation in the Fair Market Value or market price of the Shares and the risks attached with the investment are yours alone and neither the Company nor the Trust, the Nomination and Remuneration Committee (or its members) or the Trustees shall be responsible for the same.

Regards,

**ANNEXURE II**

Format of letter of acceptance

**STRICTLY PRIVATE & CONFIDENTIAL**

[Date]

To:

The Trustees

TCL Employee Welfare Trust

**Sub: Letter of Acceptance**

Dear Sirs,

Terms used herein but not defined shall have the meaning contained in the Tata Capital Limited - Employee Stock Purchase / Option Scheme.

I refer to the Letter of Offer dated [●] issued by the Trust to myself under which I was informed that I had been granted [●] Options.

I am delighted to inform you, that I accept the Offer contained in the Letter of Offer. I confirm that I have read and understood the terms and conditions of the Scheme and that I agree to abide by the same. I further agree that the Date of Acceptance for the purpose of the Options granted to me pursuant to the Letter of Offer shall be the date of receipt of this letter by you. I also understand and agree that the applicable price shall be ₹ [●]/- per Share, as mentioned in the Letter of Offer.

I confirm that I have read and understood the Scheme and shall abide by all conditions set out in the Scheme as amended from time to time.

I hereby agree that any decision(s) or direction(s) issued by the Nomination and Remuneration Committee of Tata Capital Limited with regard to any aspect of the Scheme shall be final and binding on me and I hereby undertake to act in strict consonance with any such decision(s) or direction(s), as the case may be.

Yours faithfully,

CC: Nomination and Remuneration Committee

**ANNEXURE III**

Format of Exercise Application

**STRICTLY PRIVATE & CONFIDENTIAL**

[Date]

To:

The Trustees,  
TCL Employee Welfare Trust

Dear Sirs,

Sub: Exercise Application.

Terms used herein but not defined shall have the meaning contained in the Tata Capital Limited - Employee Stock Purchase / Option Scheme ("**Scheme**").

I refer to the Letter of Offer dated <Month DD, YYYY> issued by the Trust to myself under which I was informed that I had been granted \_\_\_Options/Shares. I also refer to the Letter of Acceptance dated \_\_\_\_\_ addressed by me to you. Copies of the abovementioned letters are enclosed for your ready reference.

I am delighted to inform you, the Trust, that I am duly exercising [●] Options representing [●] Shares which have vested in me pursuant to the provisions of the Scheme. The Fair Market Value that I am required to pay for the [●] Shares I am to receive pursuant to the exercise of Options is an aggregate of ₹ [●]- (₹ [●]- per Share) as mentioned in my Letter of Offer. In this regard, please find enclosed, demand draft/cheque no. [●] for ₹ [●/-] drawn on [●] in favour of the Trust / The amount of ₹ \_\_\_\_\_ is by cheque arranged by way of loan from [●] Limited.

In addition to the above, I confirm that I have read and understood the Scheme and shall abide by all conditions set out in the Scheme as amended from time to time.

Yours faithfully,

## ANNEXURE IV

## Exit Options to be provided to Eligible Employees under the Tata Capital Limited Employee Stock Purchase/Option Scheme (“Scheme”)

I. **For ESOPs granted under the Scheme, prior to ESOP 2018 plan**

- A. Treatment of Shares held by the Eligible Employee, **while in service** of Tata Capital Limited (“Company”), holding company (“HoldCo”), subsidiary company (“SubCo”) or any other Tata Group Company, have been contemplated in **Table A**, given below.
- B. Treatment of Options and Shares held by the Eligible Employee, **after separation** from the services of the Company, HoldCo, SubCo or any other Tata Group Company due to resignation, termination (dismissal and discharge), superannuation, transfer, death or permanent incapacitation of the Eligible Employee, have been contemplated below:
- i. Resignation (but not termination):**
1. Options Vested but not Exercised – Lapsed, as per the respective ESOP plan under the Scheme.
  2. Shares – As contemplated in Table A below.
- ii. Termination (dismissal or discharge) of services:**
1. Options Vested but not Exercised - Lapsed, as per the respective ESOP plan under the Scheme.
  2. Shares - In case of an Employee whose services are terminated for cause as provided under the Scheme, the Exit Options as contemplated in Table A shall not be applicable.
- iii. Superannuation/Retirement:**
1. Options Vested but not Exercised – Lapsed, as per the respective ESOP plan under the Scheme.
  2. Shares – In the event an Employee superannuates/retires from the services of the Company, its SubCo, HoldCo or any Tata group Company, he may sell back the Shares purchased by him anytime to the Trust, on the last working day or thereafter, at the then prevailing FMV, as per the respective ESOP plan under the Scheme.
- iv. Death:**
1. Options Vested but not Exercised – Lapsed, as per the respective ESOP plan under the Scheme.
  2. Shares - In the event of death of an Eligible Employee, the nominee(s) or legal heir(s) may sell back the Shares purchased to the Trust, anytime, at the then prevailing FMV. The Eligible Employee can be in service or may have resigned (but not terminated) or superannuated/retired from the Company, HoldCo, SubCo or any other Tata Group Company, at the time of his death.
- v. Permanent Incapacitation:**
1. Options Vested but not Exercised – Lapsed, as per the respective ESOP plan under the Scheme.
  2. Shares - In the event of permanent incapacitation, the Eligible Employee may sell back the Shares purchased by him anytime to the Trust at the then prevailing FMV, irrespective of whether the Eligible Employee is in service or has resigned (but not terminated) or has superannuated/retired from the Company, its SubCo, HoldCo or any other Tata Group Company, at the time of his permanent incapacitation.
- vi. Transfer to other Tata Group Company:**
1. Options Vested but not Exercised – Lapsed, as per the respective ESOP plan under the Scheme.
  2. Shares – As contemplated in Table A. In case, the said Employee has availed of any loan extended by the company for the specific purpose of purchasing Shares under the said proposal, the Employee would be required to settle the same prior to the transfer.

**II. For ESOPs granted under ESOP 2018 plan of the Scheme and thereafter:**

- A. Treatment of Shares held by the Eligible Employees, **while in service** of the Company, HoldCo, SubCo or any other Tata Group Company. As per the provisions of the respective ESOP plans under the Scheme, as approved by the NRC, from time to time.
- B. Treatment of Options and Shares held by the Eligible Employees, **after separation** from the services of the Company, HoldCo, SubCo or any other Tata Group Company due to resignation, termination (dismissal and discharge), superannuation, transfer, death or permanent incapacitation of the Eligible Employee, have been contemplated below:
- i. Resignation (but not termination):**
1. Options not Vested – All Unvested Options shall lapse.
  2. Options Vested but not Exercised – All Options Vested but not Exercised can be exercised till the last working date. Post the last working date, any unexercised Options will lapse.
  3. Shares – There will be no buyback of Shares by the Trust.
- ii. Termination (Dismissal or Discharge) of services:**  
Subject to the discretion of the NRC:
1. Options not Vested - All Unvested Options shall lapse.
  2. Options Vested but not Exercised - All Options Vested but not Exercised, shall lapse.
  3. Shares - There will be no buyback of Shares by the Trust.
- iii. Superannuation/Retirement or Transfer to any Tata Group Company:**
1. Options not Vested – All Unvested Options will continue to vest as per the respective ESOP plan under the Scheme, as approved by NRC.
  2. Options Vested but not Exercised – All Vested Options can be exercised as per the respective ESOP plan under the Scheme, as approved by NRC.
  3. Shares - There will be no buyback of Shares by the Trust.
- iv. Death:**
1. Options not Vested - All unvested Options shall vest immediately in the legal heir(s) or nominee(s) of the Eligible Employee.
  2. Options Vested but not Exercised - Legal heir(s) / nominee(s) of the Eligible Employee, may exercise the Vested Options by the end date for exercising as per the provisions of the respective ESOP plan under the Scheme, as approved by the NRC.
  3. Shares - There will be no buyback of Shares by the Trust.
- v. Permanent Incapacitation:**
1. Options not Vested - All unvested Options shall vest immediately in the Eligible Employee, on the date of the incapacitation.
  2. Options Vested but not Exercised - The Eligible Employee may exercise the Options by the end date for exercising, as per the provisions of the ESOP plan under the Scheme, as approved by the NRC.
  3. Shares - There will be no buyback of Shares by the Trust.



**Table A**  
**Exit Options for Shares held under the Scheme**

<b>Holding Period of Shares</b>				
<b>Shares held for &lt; 3 years</b>	<b>Shares held for &gt; = 3 years and &lt;= 5 years from the date of transfer</b>	<b>Shares held for &gt; 5 years and &lt;= 8 years from the date of transfer</b>	<b>Shares held for &gt; 8 years and &lt;= 11 years from the date of transfer</b>	<b>Shares held for &gt; 11 years from the date of transfer</b>
Sale of shares to Trust at Exercise Price or FMV, whichever is lower  <b>OR</b> 100% of holdings can be carried by the Employee, if the Employee has been in continuous service with the Company, SubCo, HoldCo or any other Tata group Company for a total period of 5 or more years	Upto 25% of holdings @ FMV  AND 75% of holdings @ Exercise price + interest at a rate to be determined by the NRC but subject to a maximum of 9% ("Applicable Rate"), subject to cap of the FMV  <b>OR</b> 100% of holdings can be carried by the Employee, if the Employee has been in continuous service with the Company, SubCo, HoldCo or any other Tata group Company for a total period of 5 or more years	Up to 50% of holdings @ FMV  AND 50% of holdings @ Exercise price + interest at the Applicable Rate, subject to cap of the FMV  <b>OR</b> 100% of holdings can be carried by the Employee	Up to 75% of holdings @ FMV  AND 25% of holdings @ Exercise price + interest at the Applicable Rate, subject to cap of the FMV  <b>OR</b> 100% of holdings can be carried by the Employee	Up to 100% of holdings @ FMV  <b>OR</b> 100% of holdings can be carried by the Employee

**Note:**

- The Trust shall have no obligation to re-purchase Shares from the Employees who have separated, by way of resignation, from the Company or its SubCo or its HoldCo or any Tata Group Company and have carried any of their Shares with them.