



**Tata Motors Limited Share-based Long Term Incentive Scheme  
("TML SLTI Scheme" or "the Scheme")**



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TML SLTI Scheme has been formulated and approved by Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on 11, March 2026 ('Date of Institution of Scheme'), pursuant to the effectiveness of the Composite Scheme of Arrangement amongst Tata Motors Limited (presently Tata Motors Passenger Vehicles Limited) and TML Commercial Vehicles Limited (presently Tata Motors Limited) and Tata Motors Passenger Vehicles Limited (Amalgamating Company) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Scheme of Arrangement**"), as approved by the Hon'ble National Company Law Tribunal, Mumbai Bench ('**NCLT**') vide its orders dated August 25, 2025 and September 10, 2025, which has become effective as of the Effective date i.e., October 1, 2025 ("Effective date of Demerger").

## 1. Name of the Scheme

This Scheme shall be termed as the Tata Motors Limited Share-based Long Term Incentive Scheme ("**TML SLTI Scheme**" or "**the Scheme**"). It shall come into effect from 11 March, 2026 and continue to be in force until the date on which the PSUs issued under the Scheme have been exercised/lapsed.

## 2. Objectives of the Scheme

- a) The Scheme has been formulated pursuant to clause 9 of the Scheme of Arrangement, with respect to PSUs granted under "Demerged Company Incentive Schemes" (as defined hereinafter) to the Eligible Employees, consequent upon the Demerger.
- b) Each such Eligible Employee (irrespective of whether they are Remaining Employee or Transferring Employee, as the case may be) under the Demerged Company Incentive Schemes and for every 1 (one) Demerged Company Performance Shares Units ("PSUs") outstanding as on the Record date in the Demerged Company, such eligible Remaining Employee and Transferring Employee shall be granted and/or vested 1 (one) Resulting Company PSUs (whether vested or not) under the **TML SLTI Scheme**, on the terms and conditions which would be similar to the Demerged Company Incentive Schemes.
- c) The TML SLTI Scheme shall continue to be in force until the earliest of the following events: (i) its termination by the Company in accordance with the provisions of applicable laws; or (ii) the date upon which all PSUs available for issuance under the TML SLTI Scheme have been issued and exercised or gets lapsed or cancelled, or (iii) the TML SLTI Scheme has been terminated by the Nomination and Remuneration Committee or Board of the Company.

## 3. Definitions

In this Scheme, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against:

- 3.1 "**Act**" means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder by the Ministry of Corporate Affairs ("MCA"), as amended from time to time, and shall include any statutory replacement or re-enactment thereof, if the context so requires and as may be applicable;
- 3.2 "**Aggregate Exercise Price**" shall mean the price payable by an Eligible Employee in order to exercise the PSUs in pursuance to TML SLTI Scheme;
- 3.3 "**Applicable Law**" means every law relating to Employee Stock Options / PSUs, to the extent applicable, including and without limitation to the Act, the Securities and Exchange Board of India Act, 1992, all relevant regulations of the Securities Exchange Board of India ("SEBI") particularly in connection with or after listing, including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations"), each as amended and enacted from time to time read with



all circulars and notifications issued thereunder and all the relevant tax, securities, foreign exchange control or corporate laws or amendments thereof including any circular, notification issued thereunder by regulatory authorities of India or of any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted;

- 3.4 **“Beneficiary”** or **“Nominee”** means the person or persons, designated by the Eligible Employee in writing and by the Nomination Form and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by submission of the Nomination Form in the exercise of the powers conferred under the Scheme, or in the absence of any such designation by the Eligible Employee, a person or persons who is/are entitled by the will or probate of the Eligible Employee to receive the benefits specified in the Scheme, the legal heirs of the Eligible Employee, if the Eligible Employee dies intestate provided that such legal heir of such Eligible Employee produces before the Company all such documents as may be required by the Company to prove the succession to the assets of the deceased Eligible Employee and includes the Eligible Employee executors or administrator, if no other Beneficiary is designated and able to act under the circumstances;
- 3.5 **“Board”** means the Board of Directors of the Company as defined under Section 2(10) of the Act, as amended from time to time, which includes any committee authorized by the Board of Directors in this behalf, including the Nomination and Remuneration Committee of Board of Directors;
- 3.6 **“Committee”** or **“NRC”** or **“Compensation Committee”** means the Nomination and Remuneration Committee constituted by the Board, to administer and supervise the TML SLIT Scheme and other employee benefit scheme(s), introduced and implemented by the Company, if any, under the provisions of the Applicable Law;
- 3.7 **“Cessation date”** means the last working day of employment of the Eligible Employees with the Company/Subsidiary/Group Company/Tata Motors Group.
- 3.8 **“Company”** or **“TML”** or **“Resulting Company”** means Tata Motors Limited (CIN: L29102MH2024PLC427506), formerly known as TML Commercial Vehicles Limited, a company incorporated and registered under the provisions of the Act, having its registered office at Bombay House, 24 Homi Mody Street, Stock Exchange, Mumbai- 400 001;
- 3.9 **“Corporate Action”** shall have the same meaning as understood under Securities and Exchange Board of India Regulations and includes any of the following actions: (i) rights issues, bonus issues, stock splits, consolidation of shares/stock; (ii) Merger, de-merger, transfer of undertaking, sale of division, consolidation, amalgamation, reclassification of capital, or another capital re-organization which may result in any change in the capital structure of the Company;
- 3.10 **“Demerged Company”** means Tata Motors Passenger Vehicles Limited (formerly Tata Motors Limited), a company registered in India under the provisions of the Companies Act, 1913, having corporate identification number L28920MH1945PLC004520 and having its registered office at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001;
- 3.11 **“Demerged Company Incentive Schemes”** means (i) Tata Motors Limited Share-based Long Term Incentive Scheme 2021; (ii) Tata Motors Limited Share-based Long Term Incentive Scheme 2024; and/or any other share-based incentive schemes to be introduced by the Demerged Company;
- 3.12 **“Demerged Company Performance Share Units”** means PSUs granted and/or vested or yet to be vested, or vested but yet to be exercised, under the Demerged Company Incentive Schemes;
- 3.13 **“Demerged Company Performance Share Unit holders”** means an Eligible Employees who hold the Demerged Company Performance Share Units granted and or vested or yet to be vested. or vested but yet to be exercised by the Demerged Company under its Demerged Company Incentive Schemes;



- 3.14 “**Director**” shall have the same meaning as defined under Section 2(34) of the Act, as amended from time to time;
- 3.15 “**Eligible Employee**” means an Option/PSUs Grantee who have outstanding PSU’s granted and/or vested or yet to be vested, or vested but yet to be exercised, as on the record date under the Demerged Company Incentive Scheme regardless of whether they remain with the Demerged Company or are transferred to the Resulting Company in terms of the Scheme of Arrangement;
- 3.16 “**Employee Stock Option/PSUs**” means an PSUs granted to the Eligible Employee on such terms and conditions as stated in the Demerged Company Incentive Schemes;
- 3.17 “**Exercise**” means submitting of an exercise application by an Eligible Employee to the Resulting Company accompanied with the Exercise Price and applicable taxes and other charges, if any, to be paid by the Eligible Employee in the name of Resulting Company for issuance of shares (or to arrange the issuance, allotment, transfer, etc.), in pursuance of TML SLTI Scheme;
- 3.18 “**Exercise Form**” means the written/online application as may be prescribed by the Company for Exercise, from time to time.
- 3.19 “**Exercise Period**” means the time period after vesting within which the Eligible Employee/Nominee/Beneficiary should exercise the PSUs vested in pursuance of the TML SLTI Scheme;
- 3.20 “**Exercise Price**” means the price payable by an Eligible Employees in order exercise the PSUs in pursuance of TML SLTI Scheme;
- 3.21 “**Grant**” means the PSUs offered to the Eligible Employees under the Demerged Company Incentive Schemes offered under the TML SLTI Scheme;
- 3.22 “**Group**” or “**Group Company**” means all entities constituting the Tata Motors Group of companies, a list of which will be maintained with the Company Secretary of the Company;
- 3.23 “**Independent Director**” means a Director as defined under the Act and LODR Regulations, as amended from time to time;
- 3.24 “**Long Leave**” means continuous leave taken by the Employee as per the Demerged Company Incentive Scheme, as amended from time to time;
- 3.25 “**PSUs/ Option Grantee**” means an eligible employee who has been granted a Demerged Company PSUs under the Demerged Company Incentive Schemes and has accepted such grant as required under the Demerged Company Incentive Schemes and shall deem to include nominee/legal heir of an Option/Grantee in case of his /her death to the extent provisions of the Scheme are applicable to such nominee/legal heir.
- 3.26 “**Original Grant Date**” means the date on which the Demerged Company Employee Performance Share units were granted and/or vested under the Demerged Company Incentive Schemes;
- 3.27 “**Original Grant Letter**” means the Grant Letter issued by the Demerged Company to the Eligible Employees under Demerged Company Incentive Schemes;
- 3.28 “**Performance Share Unit**” or “**PSU**” means the performance share units as defined in accordance with the terms of Demerged Company Incentive Schemes;
- 3.29 “**Permanent Incapacity/Disability**” means any disability of whatsoever nature, be it physical, mental or otherwise, which results in complete loss of earning capacity and incapacitates or prevents or hand-



icaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board/NRC based on a certificate of a medical expert identified by Board/Committee;

- 3.30 “**Promoter**” shall have the meaning as defined under the SEBI ICDR Regulations and SBEB Regulations, as amended from time to time;
- 3.31 “**Promoter Group**” shall have the meaning as defined under the SEBI ICDR Regulations and SBEB Regulations, as amended from time to time;
- 3.32 “**Record Date**” shall mean October 14, 2025 being the date for determining the shareholders of Tata Motors Passenger Vehicles Limited (erstwhile known as Tata Motors Limited) for allotment of shares in terms of the Scheme of Arrangement;
- 3.33 “**Relative**” means a relative as defined under Section 2(77) of the Act, as amended from time to time;
- 3.34 “**Relevant Date**” means any of the following dates as the context requires:
- a) in the case of Grant, the date of the meeting of the Nomination and Remuneration Committee on which the Grant is made; or
  - b) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Eligible Employees;
- 3.35 “**Retirement**” means retirement/superannuation/voluntary retirement of the Eligible Employee as per the policy of the Company/Subsidiary Company/Tata Motors Group;
- 3.36 “**Remaining Employees**” means the employees of the Demerged Company other than Transferring Employees;
- 3.37 “**SEBI SBEB Regulations**” refers to the SEBI (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 issued by the SEBI, as amended from time to time, and includes any circulars, notifications, clarifications, frequently asked questions, etc. issued by SEBI thereunder;
- 3.38 “**Scheme of Arrangement**” means the Composite Scheme of Arrangement amongst Tata Motors Limited (presently known as Tata Motors Passenger Vehicles Limited) and TML Commercial Vehicles Limited (presently known as Tata Motors Limited) and Tata Motors Passenger Vehicles Limited (Amalgamating Company) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as sanctioned by the NCLT vide its orders dated August 25, 2025 and September 10, 2025;
- 3.39 “**Share**” means Equity Shares of the Company including the Equity Shares arising out of the Exercise of PSUs granted under TML SLTIP Scheme/this Scheme;
- 3.40 “**Subsidiary Company**” or “**Subsidiary**” means any company defined under Section 2(87) of the Act, as amended from time to time;
- 3.41 “**Tata Motors Group**” means all entities constituting the Tata Motors Group of companies, a list of which will be maintained with the Company Secretary of the Company from time to time, (hereinafter referred to as “Tata Motors Group”);
- 3.42 “**Transferring Employees**” mean the Eligible Employees of the Demerged Company engaged in and /or relate to the Demerged undertaking (as defined in the Scheme of Arrangement) as on the Effective Date;



- 3.43 “**Termination Date**” means the date on which the notice of termination of any manner including but not limited to resignation is served by the Eligible Employee to the Company or by the Company to the Eligible Employee unless the withdrawal of termination/ resignation is approved by the Company;
- 3.44 “**Unvested PSUs**” means an PSUs in respect of which Vesting has not occurred;
- 3.45 “**Vested PSUs**” means an PSUs including Superlative PSUs (i.e. Additional PSUs), in respect of which, the relevant Vesting has occurred;
- 3.46 “**Vesting**” or “**Vest**” means the accruing of the right to the Eligible Employee to Exercise an PSUs;
- 3.47 “**Vesting Date**” means the respective dates on and from which the PSUs vests with the Eligible Employee/Beneficiary/Nominee and thereby becomes exercisable under the Scheme;
- 3.48 “**Vesting Period**” means the time period as mentioned in the Original Grant letter;
- 3.49 Construction/Interpretation:

***In this document, unless the contrary intention appears:***

- a) clause reference is to the clauses of this Scheme and reference to a clause number shall also include reference to all its sub-clauses.
- b) The headings/sub-headings/titles/subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the clauses, which shall be interpreted solely in light of the contents thereof.
- c) Where a word or phrase is defined, including their grammatical variations and cognate expressions, shall, unless repugnant to the context or meaning thereof, for the purposes of the Scheme have the meanings herein specified and terms not defined above shall have the meanings as defined in the Act or Applicable Laws including SBEB Regulations, as the context requires.
- d) any reference to ‘writing’ includes printing, typing, lithography and other means of reproducing words in visible form.
- e) for the purposes of any calculation under the Scheme, any fraction will be rounded down to the nearest integer.
- f) the term ‘including’ shall mean ‘including without limitation’, unless otherwise specified.
- g) any reference to any statute or statutory provision shall include:
  - (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
  - (ii) such statute or provision as may be amended, modified, re-enacted or consolidated;
- h) unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting singularity shall include the plural and *vice versa*.
- i) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire Scheme and not to any particular clause, sub-clause or section of this Scheme.
- j) whenever this Scheme refers to a number of days, such number shall refer to calendar days unless otherwise specified.
- k) in the event of any inconsistency between the provisions of this Scheme and the provisions of the employment offer letter or employment agreement of the Eligible Employee, the provisions of this Scheme shall prevail.
- l) in the event of any inconsistency between the provisions of this Scheme and the Articles of Association, then the provisions of the Articles of Association shall prevail and be deemed to have been incorporated herein by reference.



- m) words and expressions used and not defined in the Scheme but defined in the applicable laws and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation.

#### 4. Pool of PSUs/Shares:

- 4.1 The maximum aggregate number of shares of the Company (“Pool of Shares”) that shall be issued and allotted under TML SLTI Scheme/ this scheme shall not exceed 23,07,647 (Twenty Three Lakhs Seven Thousand Six Hundred and Forty Seven Only) Equity shares/Ordinary Shares arising out of the PSUs (including superlative PSUs) under the relevant Demerged Company Incentive Schemes as bifurcated hereunder:

Name of the Scheme	Type	PSUs vested (including Superlative PSUs) but not exercised	PSUs granted (Including Superlative PSUs) but not vested
Tata Motors Limited Share-based Long Term Incentive Scheme 2021	PSUs	3,15,253	10,72,463
Tata Motors Limited Share-based Long Term Incentive Scheme 2024	PSUs	-	9,19,931
<b>Sub-Total</b>		3,15,253	19,92,394
<b>Total</b>			23,07,647

- 4.2 In addition to above there are no outstanding or pending grants to the Eligible Employees under the Demerged Incentive Schemes as on the Record Date. Further, if an PSUs granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such PSUs shall not be added back to the pool and made available for any future Grants to the Eligible Employees under the Scheme. No fresh grants shall be made under this Scheme at any time.
- 4.3 Further, the maximum number of PSUs that can be issued/granted, and the Shares arise upon Exercise of these PSUs shall stand adjusted in case of Corporate Action(s).

#### 5. Implementation and Administration:

- 5.1 The Scheme shall be administered by the NRC. The NRC/Board of Directors is authorized to interpret the Scheme, to establish, amend and rescind any rules and regulations relating to the Scheme, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme, and any such interpretation shall be final and binding upon all persons having any interest in the Scheme.
- 5.2 The NRC may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent the NRC deems necessary or desirable and to resolve any difficulty in relation to implementation of the Scheme and take any action which the Board is entitled to take.



- 5.3 The powers of the NRC/Committee, *inter-alia*, include the power to decide upon:
- the exercise price;
  - the vesting period;
  - the exercise period;
  - the treatment of PSUs in instances of cessation of employment for reasons of misconduct (in terms of the Company's policies) on the part of an Option Grantee;
  - the treatment of PSUs upon termination of employment;
  - adjustment to be made to Grant size, number of PSUs, exercise price of PSUs, etc. in the event of corporate actions such as bonus issue, rights issue, demerger, merger and consolidation of shares.
  - suitable policies and systems to ensure that there is no violation of; (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations"); (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003; and (c) any other regulations as may be notified by the Securities Exchange Board of India or any other authority from time to time;
  - procedures for Granting, Vesting and Exercise of PSUs.
  - procedures and terms for the Grant, Vesting and Exercise of PSUs in case of Employees who are on long leave.
  - treatment of PSUs in instances not specifically provided in the Scheme.
- 5.4 For the purpose of administration of matters other than specifically covered in the Scheme, the provisions of relevant Demerged Company's Incentive Schemes shall be applicable.
- 5.5 The decisions of the Nomination and Remuneration Committee with respect to administration of the Scheme shall be final and binding on the Eligible Employees.

## **6. Grant and Acceptance of PSUs**

- 6.1 PSUs under this Scheme shall be granted in accordance with the New Grant Letter.
- 6.2 All the PSUs granted under this Scheme shall be deemed to be accepted by the Company in accordance with terms and conditions of this Scheme and Scheme of Arrangement.

## **7. Vesting of PSUs and Vesting Conditions:**

- 7.1 Subject to clause 4 above, all the unvested PSUs yet to be vested under this Scheme shall continue to vest in the same manner and within the same remaining vesting period as mentioned in the Original Grant Letter issued under the relevant Demerged Company Incentive Schemes.

Provided that for determining the minimum vesting period required for PSUs that may be granted by the Company under the Scheme to the Eligible Employees, the period during which the Eligible Employees held corresponding PSUs granted under the Demerged Company Incentive Schemes prior to the Grant of the PSUs by the Company, shall be adjusted against the minimum vesting period required under the sub-clause, subject to the Applicable laws.

Provided further that in the event of Death or Permanent incapacity of an Employee, the minimum vesting shall not be applicable and in such instances, all the unvested PSUs shall vest in accordance with the provisions of the Demerged Company Incentive Schemes.

- 7.2 Vesting of PSUs would be subject to continued employment with the Company / subsidiary/Tata Motors group (as defined above), and achievement of certain performance parameters specified by the Nomination and Remuneration Committee.



7.3 If the vesting period/criteria as per the Original Grant letter, is not fulfilled then such PSUs shall lapse and shall stand cancelled. These lapsed or cancelled PSUs shall not be available for further Grant under this Scheme.

## **8. Exercise of PSUs**

### **8.1 Exercise Price**

8.1.1 The Exercise Price per PSU shall be ₹2/- (Rupees Two Only) i.e. at the face value of the underlying Share of the Company, and set out in the New Grant letter, based on the fair and reasonable adjustments made to the PSUs granted to the Eligible Employees under the Demerged Company Incentive Schemes. Provided that the Exercise Price per /PSUs shall not be less than the face value of the Shares at any time.

8.1.2 The Aggregate Exercise Price shall be paid in full upon the Exercise of the Vested PSUs. Payment must be made by one of the methods specified in 9 of the Scheme.

### **8.2 Exercise Period**

8.2.1 The PSUs can be exercised by the Grantee (except in case of death of the Option Grantee), (i) upon vesting, and (ii) within the Exercise period, from the date of vesting of the respective PSUs. The completed Exercise period, during which the Employee held stock options granted by the Demerged Company under Demerged Company Incentive Schemes, shall be adjusted against the Exercise Period required under this Sub-clause.

8.2.2 Exercise period for the vested PSUs under the respective Demerged Company Incentive Schemes shall be as per the provisions contained in the respective Schemes.

- a. The vested PSUs shall be exercisable either wholly or in part during the Exercise Period according to the terms and conditions as determined and mentioned under the respective Demerged Company Incentive Schemes.
- b. Any Vested PSUs that have not been exercised by the Eligible Employees during the Exercise Period as mentioned above, shall lapse and shall not thereafter be capable of being exercised by the Eligible Employees under this Scheme.

## **9. Exercise of PSUs and Allotment of Shares**

The Eligible Employee/Beneficiary/Nominee can Exercise the Vested PSUs, in full or in parts, within the Exercise Period as per the Scheme.

9.1 No Vested PSUs shall be exercisable in fractional form.

9.2 A Vested PSUs shall be deemed to be validly exercised only when the Company receives the Exercise Form from the Eligible Employee/Beneficiary/Nominee *via*, (electronic or physical mode) and on full payment of Aggregate Exercise Price. Payment of the Exercise Price or any amount under the Scheme, if any, shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or electronic mode, or in such other manner as the Committee may permit.

## **10. Discontinuation of Employment and Treatment of PSUs**

The provisions relating to treatment of PSUs upon discontinuation of Employment of Eligible Employee and treatment of PSUs shall be as per clause 15 of Tata Motors Limited Share-based Long Term



Incentive Scheme, 2021 and clause 14 of Tata Motors Limited Share-based Long Term Incentive Scheme 2024 (jointly referred as Demerged Company Incentive Schemes)

Exercise in case of Separation of shall be as mentioned under the respective Demerged Company Incentive Scheme.

## **11. Notices and correspondence**

11.1 All notices of communication required to be given by a Eligible Employee/Nominee to the Company/Board/NRC/Committee pertaining to Scheme shall be in writing and shall be addressed/e-mailed to below given addresses, unless otherwise notified by the NRC in writing:

(i) The Human Resource Team at the address mentioned below:  
Manager, Compensation & Benefits, Corporate Human Resources  
Tata Motors Limited,  
Geetani, 13/19, Nagindas Master Road,  
Hutatma Chowk, Mumbai 400001  
Email: nitin.sansare@tatamotors.com;  
Tel: 91-22-66561743; and

(ii) The Company Secretary at the address mentioned below:  
Company Secretary  
Tata Motors Limited  
Bombay House, 24,  
Homi Mody Street, Mumbai- 400001  
Email: ranjan.kumar1@tatamotors.com;  
Tel: 91-22-66657782

11.2 Any notice, required to be given by the Company to a Eligible Employee/Nominee or any correspondence to be made between the Company and a Eligible Employee/Nominee shall be given or made by the Company at the address/email provided by the Eligible Employee in his Acceptance Form or Nomination Form.

## **12. Lock-in**

The Shares allotted/transferred pursuant to the Exercise of the Vested PSUs under the Scheme above with the Scheme shall not be subject to lock-in.

## **13. Beneficiary/Nominee designation**

Each Eligible Employee under the Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Eligible Employee under the Scheme is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Eligible Employee, shall be in the Nomination Form and will be effective only when filed by the Eligible Employee in writing/electronically with the Company during the Eligible Employee's lifetime.

## **14. Non-transferability of PSUs**

The PSUs granted herein, are personal to the Eligible Employee. The PSUs cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Eligible Employee/Nominee otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.



## **15. Transferability of Shares**

Any Eligible Employee/Beneficiary who wishes to sell/transfer the Shares acquired pursuant to Exercise of Grant may sell/transfer such Shares freely over the Stock Exchanges as permitted under the SEBI (Prohibition of Insider Trading) Regulations and other applicable laws.

## **16. Corporate Actions**

16.1 In case of a Corporate Action announced by the Company prior to the Exercise period pertaining to the relevant PSUs, the Board/NRC in accordance with Applicable Laws, shall ensure that adjustment to Exercise Price and the number of PSUs granted shall be appropriately made without prejudice to the interest of the Eligible Employee. The decision of the Board/NRC on whether such action is necessary and the extent of such action by the Board/NRC shall be final and binding on the Eligible Employees.

16.2 In case of a Corporate Action announced by the Company prior to the Exercise Period pertaining to the relevant PSUs, where the face value of the Shares is reduced below Rs.2 (e.g., share-split, etc.) the maximum number of PSUs available for being granted under the Scheme as mentioned in the Scheme shall stand modified accordingly, so as to ensure that the cumulative paid-up value (No. of shares \*Face value per share) remains unchanged.

## **17. Accounting and Valuation**

17.1 The Company shall comply with the relevant Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein. The Accounting and Valuation mechanism of the Scheme shall be as per the provisions of relevant Demerged Company's Incentive Scheme.

## **18. Withholding Tax or any other sums**

18.1 All PSUs granted under this Scheme shall be subject to all applicable taxes, withholding tax and/or any levy and/or any contribution and/or any sums due (by whatever name it is called) arising due to participation in the Scheme (in or outside India), if any, and the Company may withhold such taxes and/or levy and/or contribution and/or payment in full.

18.2 Notwithstanding anything contained in the Scheme, if the Grant of the PSUs and/or the Vesting of PSUs and/or the Exercise of the PSU and/or allotment of the Shares under the Scheme and or at any time while this Scheme is in operation shall be subject to any levy and/or taxes or contribution or payment (by whatever name called), if any, that is levied on or payable by the Company/Employing entity (in or outside India), then such taxes and/or levy and/or contribution and/or payment shall be recovered in full from the Eligible Employee, unless NRC decides to withhold in part or nil.

18.3 Notwithstanding anything else contained in this Scheme, no Shares/sale proceeds therefrom, as the case may be, shall be issued/allotted/transferred/disbursed to the Eligible Employee/Nominee, on Exercise of the PSUs under the Scheme, unless appropriate levies/taxes/payments as given in this clause are recovered in full.

## **19. Dispute Resolution**

19.1 In the event of any dispute or disagreement between the Company and the Eligible Employees (collectively referred to as "the Parties" and individually referred to as "Party") arising out of or relating to this Scheme (the "Dispute"), the Parties will endeavor to resolve the Dispute in accordance with this clause. Either Party may invoke this clause by providing the other Party a written notice of its decision to do so, including a description of the issues subject to the Dispute. The contending Party shall at first, refer the dispute to the CHRO of the Company to discuss the Dispute. In case where the Dispute is not resolved within 30 days of its reference, the Dispute shall then be referred to the Managing Director & CEO of the Company for resolution within a further period of 30 days of such a reference to Managing



Director & CEO . Parties agree that in respect of the following aspects of the Scheme no dispute can be raised, and the decision made by NRC shall be final and binding:

- a. Eligibility of Employees;
- b. Exercise price of the PSUs;
- c. Adjustment of corporate actions announced by the Company prior to the Exercise Period pertaining to the relevant PSUs;
- d. Adjustments for number of PSUs to be vested;
- e. Any variation to the Scheme which is not detrimental to the interest of the Eligible Employees.

- 19.2 If the Dispute is not settled within 30 days of its referral to Managing Director & CEO of the Company, unless the Parties otherwise agree in writing, such Dispute shall be finally settled by arbitration. The Parties shall refer the Dispute to a sole arbitrator mutually appointed by both the parties and failing such agreement, to an arbitral panel consisting of three arbitrators. Each Party shall appoint one arbitrator and such arbitrators so appointed shall appoint a third arbitrator. The arbitration shall be conducted in accordance with the rules of the Mumbai Center for International Arbitration. The decision of the arbitrator/panel shall be final and binding on the parties. The venue of Arbitration will be Mumbai. The language of Arbitration shall be English. The Parties to the Arbitration shall bear their own costs and expenses. The arbitral panel shall give reasons for their award, including interim awards, if any.

The arbitration award shall be final and binding on each Party and shall not be subject to any appeal. The award shall be enforceable at courts in Mumbai. Equitable remedies shall be available. Nothing in this clause will however limit the right of the Company to bring proceedings against any Eligible Employee in connection with the Scheme.

## **20. Tenure**

- 20.1 This Scheme shall continue in effect till the time all the PSUs granted/vested are exercised by the respective Eligible Employees.
- 20.2 Subject to the Corporate Actions announced by the Company prior to the Exercise Period pertaining to the relevant PSUs, any such termination of this Scheme shall not affect PSUs already granted and such PSUs shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Eligible Employee/Beneficiary and the Board/NRC/the Company.

## **21. Governing Law**

- 21.1 This Scheme shall be governed by and construed in accordance with the Applicable Laws of India.
- 21.2 The PSUs are subject to the Scheme. Any term of the Scheme that is contrary to the requirement of the Act, SBEB Regulations or any other Applicable Law shall not apply to the extent it is contrary.
- 21.3 In the event that any term, condition or provision of the Scheme being held to be a violation of any Applicable Law the same shall be severable from the rest of the Scheme and shall be of no force and effect and the Scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in the Scheme.
- 21.4 In order to comply with regulation of any other country or to avail any tax or other benefits, NRC or Board may at its sole discretion formulate an addendum to this Scheme for Employees employed in that country and made applicable to such Employees from the date determined by the Board/NRC.

## **22. Regulatory approvals**

- 22.1 The implementation of the Scheme, the Grant of any PSU as per terms of the Scheme and the issuance/transfer of any Shares as per the Scheme shall be subject to the procurement by the Company and



the Eligible Employee/Beneficiary of all approvals and permits required by any regulatory authorities having jurisdiction over the Scheme, the PSUs and the Shares issued pursuant thereto. The Eligible Employee/Beneficiary under this Scheme will, if requested by the Board/NRC, provide such assurances and representations to the Company/Board/NRC, as the Board/NRC may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

- 22.2 The Board shall make all the relevant disclosures in the Director's Report in relation to the Scheme as are required under the Act, SBEB Regulations and other Applicable Laws.

### **23. Modification of Scheme**

- 23.1 The Board/NRC at any time at its absolute discretion alter, modify, amend the Scheme with the Applicable Laws, for its effective implementation .
- 23.2 However, any amendment, variation or modification under the Scheme shall not be prejudicial to the interest of the Eligible Employee.

### **24. Miscellaneous provisions**

- 24.1 Applicability of the clauses of Demerged Company Incentive Scheme: All definitions, terms, conditions, rights and obligations stipulated under the Demerged Company Incentive Scheme shall, to the extent relevant and not inconsistent with the provisions of this Scheme, apply mutatis mutandis to the PSUs granted to Eligible Employees under this Scheme. In the event of any conflict between the provisions of this Scheme and the Demerged Company Incentive Scheme, the provisions of this Scheme shall prevail.
- 24.2 No right to a Grant: Neither the adoption of the Scheme, nor any action of the Board/NRC shall be deemed to give an Employee any right to be granted a PSU to acquire Shares or to any other rights hereunder except as may be evidenced by a Grant Letter, and only to the extent of and on the terms and conditions expressly set forth therein, or in the Scheme as the case may be.
- 24.3 No employment rights conferred: Nothing contained in the Scheme or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of employment with the Company, or (ii) interfere in any way with the right of the Company to terminate his employment at any time.
- 24.4 Adherence to Applicable Laws: The Eligible Employee/Nominee shall comply with all Applicable Laws.
- 24.5 The Scheme shall not confer on any person any legal or equitable rights against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 24.6 The Company shall bear the costs of implementing and administering the Scheme, including any costs of the Company's auditors or any independent financial adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to the Scheme.
- 24.7 The Eligible Employee shall comply with the provisions of SEBI PIT Regulations and ("SEBI PF&UTP Regulations"), to the extent applicable, as well as any code of conduct or such similar policy procedure or system formulated or adopted by the Board and communicated to the Eligible Employee from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of all Vested and Unvested PSUs as well as subject the Eligible Employee to disciplinary action at the discretion of the Company.
- 24.8 The acceptance of the Grant is entirely voluntary, and the Company does not guarantee any return on PSUs. The Eligible Employee shall not be entitled to any compensation or damages for any loss or potential loss which he/she may suffer by reason of being unable to Exercise any PSU, in whole or in



part. Further, participation in this Scheme shall not be construed as any guarantee of return or any investment. Any loss due to fluctuations in the market price of the shares and the risks associated with the investments is that of the PSU holder alone.

- 24.9 This Scheme constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.
- 24.10 Inability to obtain authority: The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.
- 24.11 Nothing contained in the Scheme shall be construed to prevent the Company directly or through any trust settled by the Company, from implementing any new scheme 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 the Scheme or any Grant made under the Scheme. No Eligible Employee/Grantee/Beneficiary or other person shall have any claim against the Company or the Board or NRC as a result of such action. Nothing contained in the Scheme shall be construed to prevent the Company from taking any Corporate Action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have adverse effect on the Scheme. No Eligible Employee/Grantee/Beneficiary or any other person shall have any claim against the Company as a result of such action.
- 24.12 Surrender of PSUs

An employee may surrender his Vested/Unvested PSUs at any time during his employment with the Company. Any employee willing to surrender his PSUs shall communicate the same to the Company in the manner prescribed by the company. Thereafter, the surrendered PSUs shall expire with effect from the date of surrender of PSUs and become available for future grant under the Plan.

## **25. Confidentiality**

The Eligible Employee specifically confirms and covenants to the Company that he/she is aware that the information regarding his/her PSUs entitlements to the Scheme is strictly confidential and that the Eligible Employee should not reveal/share the information with any of his/her peers, colleagues, co-employees or with any employee and/or Subsidiary Company or any other company. In case Eligible Employee is found in breach of this Confidentiality Undertaking, the Company has an undisputed right to forfeit the PSUs granted and all Vested and Unvested PSUs shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Confidentiality Undertaking shall be final and binding upon the Eligible Employee.

For Tata Motors Limited

Sudipto Kumar Das  
Company Secretary