



**Tata Motors Limited Share-based Long Term Incentive Scheme  
2024  
("TML SLTI Scheme 2024" or "the Scheme")**

**TATA MOTORS LIMITED**

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**Tata Motors Limited Share-based Long Term Incentive Scheme 2024**  
**(“TML SLTI Scheme 2024” or “The Scheme”)**

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## 1. Name of the Scheme

This scheme shall be termed as the Tata Motors Limited Share-based Long Term Incentive Scheme 2024 (“TML SLTI Scheme 2024” or “the Scheme”). The Scheme will comprise of the reward mechanisms in form of Performance Share Units (“PSUs”). This Plan has been formulated by the Nomination and Remuneration Committee (“NRC”) and the Board of Directors (which includes any Committee thereof with specific delegated powers for this purpose) of Tata Motors Limited (“the Company” or “TML”), a public limited company incorporated under the erstwhile Companies Act, 1913 and having its registered office at Bombay House, 24 Homi Mody Street, Mumbai- 400001.

The detailed terms and conditions of the Scheme have been formulated by the allotment committee of directors at its meeting held on May 22, 2024 as directed by the NRC and Board of Directors at its meeting held on May 10, 2024. The Scheme has been approved by way of special resolution passed by the members of the Company at the Annual General Meeting held on June 24, 2024, whereby issue of PSUs to the Eligible Employees of the Company and its Subsidiary company(ies).

## 2. Objectives of the Scheme

Tata Motors Limited has structured the Scheme for Eligible Employees of the Company and it’s Subsidiary company(ies) with the following major objectives:

- (a) To drive long term objectives of the Company;
- (b) To attract, motivate and retain employees by rewarding for their performance;
- (c) To align rewards of employees directly to the Company’s performance;
- (d) To ring fence and incentivize key talent to drive long term objectives of the Company;
- (e) To ensure that employees’ compensation and benefits match the long gestation period of certain key initiatives; and
- (f) To drive ownership behavior and collaboration amongst employees.

These objectives are sought to be achieved through Grant of PSUs to the Eligible Employees.

## 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 “Abandonment” means discontinuation of employment by an Employee without giving notice or without serving the notice period, as specified under the Company’s policy or Subsidiary Company’s policy, as amended time to time;
- 3.2 “Acceptance Form” shall mean the form (annexed hereto as Annexure 2 *via* electronic/physical mode) that the Grantee has to submit to the Company confirming his/her acceptance of PSUs granted pursuant to a Grant Letter and to acknowledge acceptance of the terms and conditions of this Scheme on or before the Closing Date;
- 3.3 “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;
- 3.4 “Aggregate Exercise Price” shall mean the aggregate of the Exercise Price and taxes as referred to in clause 11 and any other sums referred to in clause 23 payable by the Participant to the Company as per



the Scheme in respect of Exercise of the PSUs;

- 3.5 “Applicable Law” shall mean the Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 (“SBEB Regulations”) and any other laws of India to the extent applicable to the Company and as amended, modified and substituted from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with the laws of India, without regard to the application of the conflicts of laws provisions thereof;
- 3.6 “Beneficiary” or “Nominee” means the person or persons, designated by the Participant in writing and by the Nomination Form (annexed hereto as Annexure 3) 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 Participant, a person or persons who is/are entitled by the will or probate of the Participant to receive the benefits specified in the Scheme, the legal heirs of the Participant, if the Participant dies intestate provided that such legal heir of such Participant produces before the Company all such documents as may be required by the Company to prove the succession to the assets of the deceased Participant and includes the Participant's executors or administrator, if no other Beneficiary is designated and able to act under the circumstances;
- 3.7 “Board” means the Board of Directors of the Company as defined under Section 2(10) of the Act, as amended from time to time;
- 3.8 “Closing Date” means 30 days from the date of the Grant Letter (unless otherwise notified by the NRC), by which the offer of PSUs by the Company to a Grantee can be accepted. In case the last date is a non-working day, then it shall be the immediately following working day;
- 3.9 “Company” or “TML” means Tata Motors Limited (CIN: L28290MH1945PLC004520), a company incorporated and registered under the provisions of Companies Act, 1913 having its registered office at Bombay House, 24 Homi Mody Street, Mumbai- 400001;
- 3.10 “Corporate Action” as understood under SBEB Regulations, includes rights issues, bonus issues, stock splits, consolidation of shares/stock, merger, demerger, transfer of undertaking, sale of division or other capital re-organization which may result in any change in the capital structure of the Company;
- 3.11 “Director” shall have the same meaning as defined under Section 2(34) of the Act, as amended from time to time;
- 3.12 “Eligible Employee” means Employee(s) of the Company and/or Employee(s) of the unlisted Subsidiaries of the Company, who is/are eligible to participate in the Scheme as per clause 4 below of the Scheme;
- 3.13 “Employee” except in relation to issue of sweat equity shares, means:
- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
  - (ii) a director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
  - (iii) an employee as defined in sub-clauses (i) or (ii), of a Group company including subsidiary company, in India or outside India, or of a holding company of the Company,
- but does not include -
- (a) an employee who is a Promoter or a person belonging to the promoter group; or
  - (b) a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company;
- 3.14 “Exercise” means making of an application (via physical or electronic mode) by the Participant/Beneficiary/Nominee to the Company for issue of Shares against the Vested PSUs in pursuance of the



Scheme and in accordance with the procedure laid down by the Company for such exercise;

- 3.15 “Exercise Form” means the letter (*via* physical or electronic mode) by which exercise of a PSUs is communicated by the Participant to the Company;
- 3.16 “Exercise Period” means the time period as per clause 12 below within which the Participant/Beneficiary/Nominee can Exercise their right to apply for Shares against the Vested PSUs in pursuance of the Scheme;
- 3.17 “Exercise Price” means the price as per clause 11 below, payable by the Participant for exercising the Vested PSUs granted to him in pursuance of the Scheme;
- 3.18 “General Meeting” means a General Meeting (including an Extraordinary General Meeting) of the members of the Company held in accordance with the Articles of Association of the Company and the Applicable Laws;
- 3.19 “Grant” means the process by which the Company issue of PSUs to the Grantee(s) as per clause 8 below of the Scheme;
- 3.20 “Grant Date” means the date on which the Grant of PSUs made to the Grantee(s) is approved by the NRC as per clause 8 below.

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

- 3.21 “Grant Letter” means the letter (annexed hereto as Annexure 1 issued by the Company *via* electronic or physical mode) by which Grant of PSUs is communicated to the Eligible Employee by the Company/ Subsidiary Company on the Grant date for acquiring a specified number of grants at the exercise price, which shall besides other terms and conditions include the number of PSUs granted, superlative PSUs granted, the vesting period, the vesting conditions, the exercise price, and the exercise period and procedure in connection with the Grant of PSUs to the Employee;
- 3.22 “Grantee” means an Eligible Employee who has been granted PSUs and also is recipient of Grant Letter on the Grant Date in accordance to the Grant as per clause 8 below;
- 3.23 “Group” or “Group Company” shall have the same meaning as defined under Regulation 2 of the SBEB Regulations, as amended from time to time;
- 3.24 “Holding Company” shall have the meaning as defined under Section 2(46) the Act, as amended from time to time;
- 3.25 “Independent Director” means a Director as defined under Section 149 of the Act and Regulation the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Obligations”), as amended from time to time;
- 3.26 “Long Leave” means continuous leave taken by the Employee as per the Company’s policy or Subsidiary Company’s policy, as amended from time to time;
- 3.27 “Misconduct” means any of the following acts or omissions by an Employee, in addition to any provisions prescribed in the offer or terms of employment amounting to violation or breach of terms of employment and as determined by the NRC after giving the Employee an opportunity of being heard, wherever required:
- (a) committing of any act warranting summary termination under law; or
  - (b) conduct which in the reasonable opinion of the NRC amounts to a serious breach by a Grantee of the obligation of trust and confidence to his employer; or
  - (c) a finding by the NRC that an Employee has committed any material or consistent breach of any of the terms or conditions of the Employee service agreement including any willful neglect of or refusal to carry out any of his duties or to comply with any instruction given to him by the Company or group; or
  - (d) being convicted of any criminal offence; or
  - (e) being disqualified from holding office in the Company or any other company under any legislation



- or being disqualified or disbarred from membership of, or being subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the NRC in the individual's continued employment; or having acted or attempted to act in any way which in the opinion of the NRC has brought or could bring the Company or Group into disrepute or discredit;
- (f) breach or violation by any employees of Policies/Terms of employment of the Company's or Subsidiary Company's with which employee is employed at given point of time; and
- (g) any other act or omission not included above, but defined as misconduct in the Company's or Subsidiary Company's rules or Employee handbook and / or employment agreement and/or appointment letter;
- 3.28 "Nomination and Remuneration Committee" or "NRC" means the Committee constituted by the Board as per the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Obligations, as amended from time to time, and authorized by the Board for administration and superintendence of the Scheme;
- 3.29 "Participant" means a holder of an PSU granted in accordance with clause 8 below of the Scheme and accepted by the Grantee in accordance with clause 9 below;
- 3.30 "Performance Share Unit" or "PSU" means the performance share units (including Superlative PSUs unless otherwise specified in the Scheme) granted to the Eligible Employee of the Company which upon acceptance gives the Employee a right to subscribe at a future date, subject to fulfilment of specified conditions, the Shares offered by the Company, directly or indirectly, at the Exercise Price;
- 3.31 "Permanent Incapacity" 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 handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board/NRC based on a certificate of a medical expert identified by the Company or Subsidiary Company with which employee is employed;
- 3.32 "Promoter" shall have the meaning as defined under Regulation 2 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time;
- 3.33 "Promoter Group" shall have the meaning as defined under Regulation 2 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time;
- 3.34 "Relative" means a relative as defined under Section 2(77) of the Act, as amended from time to time;
- 3.35 "Retirement" means retirement/superannuation/voluntary retirement of the Participant as per the policy of the Company or Subsidiary Company with which employee is employed at the time of retirement;
- 3.36 "SBEB Regulations" refers to the Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 issued by the Securities and Exchange Board of India ("SEBI"), under the SEBI Act, 1992, as amended from time to time and the circulars, notifications, clarifications, frequently asked questions, etc. issued by SEBI in this regard;
- 3.37 "Scheme" means the Tata Motors Limited Share-based Long Term Incentive Scheme 2024 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time;
- 3.38 "Share" means an Ordinary share of the Company of the face value of Rs.2 each (or such other face value) to be allotted to the Participants on exercise of Vested PSUs which shall rank pari-passu with the existing Ordinary Shares in the Company;
- 3.39 "Shareholder" or "Member" shall mean the Shareholder/Member as defined under Section 55 of the Act, as amended from time to time or registered holder of a Share from time to time;
- 3.40 "Stock Exchange" means the recognized stock exchange under SBEB Regulations where the Shares of the Company are listed or to be listed;
- 3.41 "Subsidiary Company" or "Subsidiary" means any present or future subsidiary company of the



Company as defined under Section 2(87) of the Act, as amended from time to time;

- 3.42 “Termination Date” means the date on which the notice of termination of any manner including but not limited to resignation is served by the Participant to the Company or by the Company to the Participant unless the withdrawal of termination/ resignation is approved by the Company;
- 3.43 “Unvested PSU” means an PSU in respect of which the relevant Vesting conditions have not been satisfied and pursuant to which the Participant is not eligible to Exercise the PSUs;
- 3.44 “Vested PSU” means a PSU including Superlative PSUs (i.e. Additional PSUs), in respect of which, the relevant Vesting conditions have been satisfied and the Participant has become eligible to Exercise the PSU;
- 3.45 “Vesting” or “Vest” means the process as provided under Clause 10 below, by which the Participant/Beneficiary/Nominee becomes entitled to apply for shares against the PSUs Granted;
- 3.46 “Vesting Date” means the respective dates on and from which the PSUs vests with the Participant/Beneficiary/Nominee and thereby becomes exercisable under the Scheme;
- 3.47 “Vesting Period” means the period during which the Vesting of PSU Granted under the Scheme takes place in accordance with clause 10 below;
- 3.48 “Wholly owned subsidiary” or “WOS” of the Company means an Indian company in which TML directly or indirectly holds 100% equity interest and currently includes, viz., (1) Tata Motors Passenger Vehicles Limited; (2) TML Business Services Limited; (3) Tata Passenger Electric Mobility Limited; (4) TML CV Mobility Solutions Limited; and (5) TML Smart City Mobility Solutions Limited and its subsidiaries in which it has 100% equity interest; (6) Tata Motors Body Solutions Ltd, for the purposes of the Scheme. The Board/NRC shall have power to extend the applicability of this Scheme to other Subsidiary Companies/WOS from time to time.
- 3.49 Construction/ Interpretation:

In the Scheme, 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. Eligibility**

- 4.1 The eligibility to participate in the Scheme is subject to such criteria as may be decided by the NRC at its own discretion, including but not limited to the date of joining of the Employee, grade of the Employee, performance evaluation, period of service, criticality, or any other criteria as the NRC determines.
- 4.2 Based on the eligibility criteria as described in clause 4.1 above of the Scheme, the NRC in line with the powers/role as mentioned in clause 6.2 below, at its sole discretion, will decide the Employees eligible for Grant of PSUs under the Scheme and accordingly, the Company acting through the NRC would Grant the PSU to the identified Eligible Employees under the Scheme from time to time.

#### **5. Implementation and Administration of the Scheme**

- 5.1 The Scheme shall be directly implemented by the Company through the primary route by issue of new Shares. The Company would not be providing any loan to any employee of the Company or its Subsidiaries for implementation of the Scheme.
- 5.2 The Scheme shall be administered by the NRC under the powers delegated by the Board. As approved by the Board, the NRC 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. 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 No member of the NRC should act upon matters under the Scheme, specifically relating to such member.
- 5.4 The acts of majority of the members of the NRC present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire NRC, shall be the acts of the NRC for the purpose of the Scheme. Any decision of the NRC in the interpretation and administration of the Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Employee, Grantee, Participant/Nominee/Beneficiaries and Successors). The Company including the NRC shall not be liable for





any action or determination made in good faith with respect to the Scheme.

**6. Role of the Nomination and Remuneration Committee**

- 6.1 The NRC shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”) and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 (“SEBI PF&UTP Regulations”), as amended from time to time, by the Company and its Eligible Employees, as may be applicable.
- 6.2 The NRC shall, from time to time, in addition to the detailed terms and conditions laid down in the Scheme and under the Applicable Laws, have the authority to:
- a) Identify the Eligible Employees and decide on the number of PSUs to be granted to each Eligible Employees and in aggregate to all the Eligible Employees (including deciding different number of PSUs to be granted to an Eligible Employees at same work level);
  - b) Determine the Grant Date, conditions under which PSUs shall vest with Eligible Employees and Vesting Period;
  - c) Formulate the detailed terms and conditions to determine the Exercise Period within which the Eligible employee can exercise the PSUs and that the PSUs would lapse on failure to exercise the same within the Exercise Period;
  - d) Determine the procedure for making a fair and reasonable adjustment to the number of PSUs Granted and to the Exercise Price in case of corporate action taking into consideration, *inter alia*, the following:
    - i) the number and price of PSUs shall be adjusted in a manner such that total value to the Eligible Employees of the PSUs remains the same after the Corporate Action; and;
    - ii) the Vesting Period and the life of the PSUs shall be left unaltered as far as possible to protect the rights of the Eligible Employee(s) who are granted such PSUs;
  - e) Build a mechanism to enable Eligible Employees to fund for exercise of PSUs;
  - f) Determine the terms and conditions in which Vested/Unvested PSUs or Exercised PSUs, may be withdrawn or reduced;
  - g) Determine the treatment of the PSUs held by an Eligible Employee in case of suspension due to any inquiry for a Misconduct against the Eligible Employee;
  - h) Formulate the detailed terms and conditions for the vesting and exercise of PSUs in case of Eligible Employees who are on Long Leave;
  - i) Resolve any issue that arises in the operationalization of the Scheme and ensure smooth and proper operationalization of the Scheme as per the Applicable Laws;
  - j) Perform such other functions and duties as shall be required under the Applicable Laws;
  - k) Power to make changes in the Scheme document, which is not detrimental to the Employee, subject to clause 28 below and Applicable Laws;
  - l) To set-off or settle the claims due by the Participant/Beneficiary/Nominee to the Company/Subsidiary Company against the PSUs, if any, to the extent permitted under Applicable Laws and convey the same to the Participant/Nominees.
  - m) NRC shall have the power to vary the constitution and the authorities delegated to the Committees, from time to time, to the extent it may seem necessary or beneficial for administration of the Scheme.



- 6.3 NRC may delegate the above stated powers to any Director/Executives/ Committees to the extent it may consider necessary or beneficial for administration of the Scheme.

## **7. Share Pool**

- 7.1 Subject to clause 21 below of the Scheme, the maximum number of Shares that may be issued pursuant to Exercise of 50,00,000 PSUs granted to the Eligible Employees under the Scheme shall not exceed 50,00,000 fully paid Shares ("Share pool"). The Company reserves the right to increase or reduce such number of shares as it deems fit. Notwithstanding the foregoing, shares with respect to which a PSU is Granted under the Scheme that remain unaccepted by the employees, or not exercised by the employees during the exercise period, or are not entitled for Vesting or forfeited or lapsed or cancelled shall be added back to the number of PSUs, i.e., Share pool that are pending to be Granted. The NRC may, at their discretion, Grant such PSUs within the overall limit determined in accordance with the Scheme.

## **8. Grant of PSUs**

- 8.1 Subject to clauses 4 above and 7 above, NRC shall Grant the PSUs to an Eligible Employee in accordance with the terms and conditions of the Scheme.
- The number of PSUs to be granted to Eligible Employees will be determined based on the Long Term Incentive Pay to be awarded to Eligible Employees, divided by the Closing Market Price of the Shares prior to the Board/NRC meeting date for Grant in FY 2024-25 and by the Closing Market Price of the Shares on the National Stock Exchange of India Limited one day prior to the NRC Meeting date for approval of Grants in FY 2025-26 and FY 2026-27, respectively.
- 8.2 Eligible Employees who have been Granted PSUs in accordance with clause 8.1 above, may also be Granted additional PSUs (hereinafter referred to as "Superlative PSU" as the case may be) at the discretion of the NRC in accordance with the terms and conditions of the Scheme.
- 8.3 No Employee shall be granted PSUs and in aggregate equal to or exceeding on 0.5% of the issued share capital excluding outstanding warrants and conversions (as understood under SBEB Regulations) of the Company at the time of Grant of PSUs, unless an approval from the Shareholders is taken by way of special resolution. The maximum number of PSUs that may be granted to each Eligible Employee in each tranche shall not in aggregate be more than 1,00,000 (One Lakh) PSUs.
- 8.4 The Grant of the PSUs approved by the NRC shall be communicated to the Grantee by the Company within a period of 30 days through Grant Letter accompanied with the Acceptance Form.
- 8.5 A PSUs offered under this clause is personal to the Grantee and cannot be transferred in any manner whatsoever.
- 8.6 Grant of a PSUs under this Scheme does not give an automatic right to an Eligible Employee for further grant of PSUs or benefits under any future Scheme(s) of the Company.
- 8.7 The Grant of PSUs is of an occasional and extraordinary nature and constitutes a gratuitous and discretionary act by the Company. Consequently, no benefit derived from the PSUs granted under the Scheme, forms or shall form a part of any Participant's normal, habitual or expected remuneration.

## **9. Acceptance of Grant**

- 9.1 The Eligible Employee to whom Grant Letter has been delivered shall submit duly executed Acceptance Form (*via* physical or electronic mode) on or before the Closing Date.
- 9.2 Subject to the terms contained herein, the acceptance in accordance with this clause of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each PSUs shall, on such acceptance be an Unvested PSUs as the case may be.
- 9.3 Upon receipt of a duly executed Acceptance Form (*via*, Physical or Electronic mode) from the Grantee



on or before the Closing Date, the Grantee shall become a Participant.

9.4 In case any Grantee, who fails to return the duly executed Acceptance Form, or the Acceptance Form is received by the Company after the Closing date, the PSUs granted to such Grantee shall not be valid and the PSUs granted will stand cancelled, unless the NRC determines otherwise.

9.5 No amount is due to be payable by the Participant at the time of acceptance of Grant.

## 10. Vesting of PSUs

10.1 Subject to clauses 10.7 below and continued employment of the Participant in the Company/ Subsidiary(ies) Company on the date of Vesting as determined by the NRC, all the Unvested PSUs including Superlative PSUs (i.e. Additional PSUs) shall vest with the Participant in accordance with this clause.

Notwithstanding anything contained in this Scheme and subject to clause 14 below, the Vesting Period shall not be less than 1 (one) year and shall not be more than 4 (four) years from the Grant Date. Provided that in case where PSUs including Superlative PSUs (i.e. Additional PSUs) are granted by the NRC under the Scheme in lieu of PSUs including Superlative PSUs (i.e. Additional PSUs) held by a person under a similar Plan in another company ("Transferor Company") which has merged, demerged, arranged or amalgamated with the Company, the period during which the PSUs granted by the Transferor Company were held by him shall be adjusted against the minimum Vesting Period.

10.2 The number of PSUs including Superlative PSUs (i.e. Additional PSUs) that would vest with the Participants would be determined basis the Company's performance or respective Subsidiaries performance or any other performance parameters in 3 preceding financial years e.g., market share, EBIT, cash flow, sustainability index, service score, etc., and individual performance parameters as decided by the NRC.

10.3 Subject to clause 14 below, the quantum of PSUs excluding Superlative PSUs (i.e. Additional PSUs) shall vest on determination and approval by the Board/NRC basis clause 10.2 above and as under:

Performance Outcome <i>vis a vis</i> target	% of PSUs excluding Superlative PSUs that shall vest
Less than 80%	50%
Equal to or More than 80% upto 100%	Pro rated basis the Performance Targets achieved

Notwithstanding anything stipulated as part of the Scheme, PSUs which are not vested shall automatically lapse after the Vesting Date and the contract referred to in clause 9.2 above shall automatically be terminated without any obligations whatsoever on the Company and no rights in that regard will accrue to the Participant after such date. Such Unvested PSUs shall revert to the Share pool and may be granted at the discretion of the Board or NRC to any other Eligible Employee.

10.4 Further, subject to clause 14 below, Superlative PSUs (i.e. Additional PSUs) shall vest on determination and approval by the Board/NRC basis clause 10.2 above as under:

Performance Outcome <i>vis a vis</i> target	% of Superlative PSUs (i.e., Additional PSUs) that shall vest
Less than or equal to 100%	0%
More than 100% upto 120%	Pro rated basis the Performance Targets achieved such that for every 1% performance target achieved above 100%, 5% of Superlative PSUs (Additional PSUs) shall vest
More than 120%	100% of Superlative PSUs (Additional PSUs) shall vest

Notwithstanding anything stipulated as part of the Scheme, Superlative PSUs which are not vested shall automatically lapse after the Vesting Date and the contract referred to in clause 9.2 above shall automatically be terminated without any obligations whatsoever on the Company and no rights in that regard will accrue to the Participant after such date. Such Unvested Superlative PSUs shall revert to



the Share pool and may be granted at the discretion of the Board or NRC to any other Eligible Employee.

Illustratively, vesting will happen as follows:

#### Illustration 1

- Mr. A has been granted PSUs as under as on October 01, 2024.

Particulars	Quantum
PSUs	5,000
Superlative PSUs	1,000
<b>Total</b>	<b>6,000</b>

- Performance Outcome *vis a vis* Performance Targets achieved after completion of Vesting period is 110%.
- Number of PSUs vested as per Performance Outcome:

Particulars	% of PSUs/ Superlative PSUs that shall vest as per Vesting schedule	Number of PSUs /Superlative PSU that shall vest
PSUs	100%	5,000
Superlative PSUs	Pro rated basis the Performance Targets achieved i.e. 50% [10*5%]	500 [1000*50%]
<b>Total</b>		<b>5,500</b>

#### Illustration 2

- Mr. A has been granted PSUs as under as on October 01, 2024.

Particulars	Quantum
PSUs	5,000
Superlative PSUs	1,000
<b>Total</b>	<b>6,000</b>

- Performance Outcome *vis a vis* Performance Targets achieved after completion of Vesting period is 125%.
- Number of PSUs vested as per Performance Outcome:

Particulars	% of PSUs/ Superlative PSUs that shall vest as per Vesting schedule	Number of PSUs /Superlative PSU that shall vest
PSUs	100%	5,000
Superlative PSUs	100% of Superlative PSUs (Additional PSUs) shall vest	1,000
<b>Total</b>		<b>6,000</b>

- 10.5 A discretionary adjustment factor of +/-20% can be used by the NRC to adjust for Quality of Results (QOR) achieved by the Company i.e., approved vesting % = Recommended Vesting % (as above) \* (1+QOR Factor).
- 10.6 The NRC may at its sole discretion at any time, but before the Vesting Date, change the performance parameters referred to in clause 10.2 and adjustment as referred to in clause 10.5 above based on business requirement and market conditions.
- 10.7 Subject to the SBEB Regulations as applicable and any other applicable laws/regulations, and unless



the Board/NRC decides otherwise, no PSUs including Superlative PSUs (i.e. Additional PSUs) shall vest in a Participant, if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company/ Holding Company/ Subsidiary Company or any activity related to the business carried on by the Company/ Holding Company/ Subsidiary Company. Decision of the Board/NRC in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this clause shall not apply, (i) to any investment held as a portfolio by the Participant, or (ii) any activity/ business carried out by the Participant pursuant to his duties as an Employee, or (iii) to the Beneficiary/Nominee of the Participant.

- 10.8 The Participant/Beneficiary shall not have the right to receive any dividend or right to vote or in any manner enjoy the benefits of a Member in respect of the PSUs Granted/Vested, till the Shares are allotted upon Exercise of PSUs.

## **11. Exercise Price**

- 11.1 The Exercise Price for PSUs shall be Rs.2/- (Rupees Two Only) per PSUs, i.e. at the face value (or any other face value in future) of the underlying Share of the Company.
- 11.2 The Exercise Price and the number of PSUs granted may be adjusted for any Corporate Action(s) announced by the Company prior to the Exercise Period pertaining to the relevant PSUs, as may be decided by the Board/NRC. The adjustment shall be separately intimated to the Participants/Beneficiaries/Nominees.

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 clause 13.3 of the Scheme.

- 11.3 The Exercise Price if any paid at the time of Grant of PSUs by the Employee may be forfeited by the Company, if the PSUs are not exercised by the Employee within the Exercise Period or may be refunded to the Employee if any vesting conditions as mentioned under clause 10 are not fulfilled in case of an Unvested PSUs as per the Scheme.

## **12. Exercise Period**

Subject to clause 14, the Exercise Period would commence from the date of Vesting of PSUs by the NRC and will expire at the end of 12 (twelve) months from the date of Vesting of PSUs.

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

- 13.1 The Participant/Beneficiary/Nominee can Exercise the Vested PSUs, in full or in parts, within the Exercise Period as per the Scheme.
- 13.2 No Vested PSUs shall be exercisable in fractional form.
- 13.3 A Vested PSUs shall be deemed to be validly exercised only when the Company receives the Exercise Form from the Participant/Beneficiary/Nominee (*via*, electronic or physical mode) and on full payment of Aggregate Exercise Price and any other sums due referred to in clause 23 below with respect to the PSUs exercised by the Employee by any of the following methods:
- i) Cheque or demand draft issued in the name of “Tata Motors Limited SLTI Scheme 2024”; or
  - ii) Remittance directly from the Participant’s bank to the bank account of “Tata Motors Limited SLTI Scheme 2024” (wire transfer); or
  - iii) Any combination of such methods of payment or any other method acceptable to the Board/NRC at its sole discretion.
- 13.4 Stamp duty or other applicable taxes imposed under any applicable laws shall be payable on allotment of Shares and shall be borne by the Company/Participant/Beneficiary, as may be applicable to be



payable under the Applicable Law.

- 13.5 Exercise of the Vested PSUs shall take place by executing such documents as may be required under the applicable laws for the Company to pass a valid title of the relevant Shares to the Participant/Beneficiaries/Nominee, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.
- 13.6 The Company shall endeavor to ensure that the process of allotment to the Participant/Beneficiary who has validly exercised his Vested PSUs is completed within a reasonable time, from the time of receiving a duly completed and signed Exercise Form along with Exercise Price and any other sums due referred to in clause 23 below.
- 13.7 Notwithstanding anything else contained in the Scheme if the Participant/Beneficiary does not Exercise his Vested PSUs within the time specified in clause 12 above and clause 14 below, the PSUs shall automatically lapse at the end of the aforesaid period and the contract referred to in clause 9.2 above shall stand automatically terminated without surviving any right/liability for the Participant of the Company/Subsidiary Company.
- 13.8 Subject to the SBEB Regulations, and unless the Board/NRC decides otherwise, no Participant shall be entitled to make an Exercise, if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company/Holding Company/ Subsidiary Company or any activity related to the business carried on by the Company/ Holding Company/ Subsidiary Company. Decision of the Board/NRC in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this clause shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his duties as an Employee and shall not apply to the Beneficiary/ Nominee of the Participant.
- 13.9 If the Exercise of PSUs within the Exercise Period, is prevented by any law or regulation in force, the Board/NRC shall defer or not permit the Exercise of PSUs till such time as it is prohibited by the applicable laws or regulations and in such an event the Company shall not be liable to pay any compensation or similar payment to the Grantee for any loss suffered due to such refusal.
- 13.10 Only upon allotment of the Shares, the Participants/Beneficiary/Nominee shall become members of the Company. Subject to clause 16 below of the Scheme, the shares to be allotted/ transferred shall rank pari passu in all respects with the outstanding Shares.
- 13.11 Under the Scheme, the Company will issue fresh Shares as and when the Vested PSUs are exercised by the Participant/Beneficiaries.
- 13.12 Upon fulfillment of conditions mentioned under clause 13 of the Scheme, the Shares would be allotted within a period of 60 days from the date of exercise of PSUs.
- 13.13 Subject to the adjustment(s) stated in clause 21 above, neither the Participant/ Beneficiary/Nominee shall have any rights of a member of the Company (for example: voting rights, dividend rights, bonus or right shares, etc.) with respect to the PSUs granted until the same are Exercised and the Shares are issued by the Company in accordance with this Scheme. Upon becoming a registered holder of the Shares by the Exercise, the Participant/Beneficiary shall be entitled to all rights and obligations as a Shareholder from the date of issue and allotment of Shares pursuant to the Exercise under this Scheme.
- 13.14 Subject to the Exercise Period and clause 14 below, the Vested PSUs may be exercised during the lifetime of the Participant only by the Participant himself/herself and after his demise the Vested PSUs may be exercised by his Beneficiaries/Nominee, as may be applicable under the Applicable Laws.
- 13.15 Subject to SEBI PIT Regulations and the Code Of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information adopted by the Company, as applicable, the Board and/or NRC shall also have the right to impose a 'silent period' at its discretion, during which period, any Participant/Beneficiary who has been issued





Shares on Exercise of Vested PSUs shall not be permitted to transfer, sell or dispose-off his/ her Shares acquired under this Scheme in any manner whatsoever, other than as may be determined by the Board and/or NRC.

#### 14. Discontinuation of Employment and treatment of PSUs

14.1 Please refer below table:

Sr. No	Discontinuation of employment due to	Treatment of PSUs qualifying as Vested on the date of event	Treatment of PSUs qualifying as Unvested on the date of event
1.	Death	<p>All the Vested PSUs (including Vested Superlative PSUs) as on the date of death shall be permitted to be exercised by the Participant's Beneficiary/Nominee within 6 (six) months from the date of death of the Participant or before the expiry of the Exercise Period, whichever is later, unless the NRC decides otherwise.</p> <p>In case the Participant has not appointed a Beneficiary/Nominee and/or in case of death of Beneficiary/Nominee, all the Vested PSUs (including Vested Superlative PSUs) can be exercisable by the legal heirs/successors of such Participant upon production of such documents/indemnities as may be required by the respective Company to prove succession to the assets of the deceased Participant by the legal heirs/successors.</p>	<p>All Unvested PSUs (including Unvested Superlative PSUs) as on the date of death shall immediately vest with the deceased Participant's Beneficiary/Nominee, on the date of death of the Participant.</p> <p>All the PSUs (including Superlative PSUs) that vest in accordance with above paragraph shall be permitted to be exercised by the Participant's Beneficiary/Nominee only during the original Exercise Period applicable to such PSUs (including Superlative PSUs) unless the NRC decides otherwise.</p> <p>In case the Participant has not appointed a Beneficiary/Nominee and/or in case of death of Beneficiary/Nominee, all the Vested PSUs (including Vested Superlative PSUs) can be exercisable by the legal heirs/successors of such Participant upon production of such documents/indemnities as may be required by the respective Company to prove succession to the assets of the deceased Participant by the legal heirs/successors.</p>
2	On Permanent Incapacity of Participant	<p>All the Vested PSUs (including Vested Superlative PSUs) as on the date of permanent incapacitation, shall be permitted to be exercised by the Participant/ Beneficiary within 6 (six) months from the date of permanent incapacitation of the Participant or before the expiry of the Exercise Period, whichever is</p>	<p>All the Unvested PSUs (including Unvested Superlative PSUs) as on the date of permanent incapacitation shall vest with the Participant immediately on the date of permanent incapacitation.</p> <p>All the PSUs (including Superla-</p>



		later unless the NRC decides otherwise.	tive PSUs) that vest in accordance with above paragraph shall be permitted to be exercised by the Participant/Beneficiary only during the original Exercise Period applicable to such PSUs (including Superlative PSUs), unless the NRC decides otherwise.
3.	On Resignation of a Participant	All the Vested PSUs (including Vested Superlative PSUs) as on the date on which notice of termination of employment by way of resignation has been given by the Participant shall be permitted to be exercised before the last working day of the participant, unless the NRC decides otherwise.	All Unvested PSUs (including Unvested Superlative PSUs) as on date on which notice of termination of employment by way of resignation has been given by the Participant shall lapse with immediate effect and the contract with the Company shall stand automatically terminated without surviving any right/ liability for the Participant or the Company/ Subsidiary Company in respect of such PSUs granted.
4	On Termination of a Participant on account of Misconduct or in case of Abandonment	All the Vested PSUs (including Vested Superlative PSUs) as on the date of termination shall stand automatically forfeited on the date of termination (end of working hours on the last working day)	All the Unvested PSUs (including Unvested Superlative PSUs) as on the date of termination shall stand automatically forfeited on the date of termination (end of working hours on the last working day)
5	On Retirement	All the Vested PSUs (including Vested Superlative PSUs) as on the date of Retirement shall be permitted to be exercised before the expiry of the Exercise Period, as per the Scheme.	<p>All the Unvested PSUs (including Unvested Superlative PSUs) as on the date of Retirement shall vest on pro-rata basis for the period served with the Company / Subsidiary Company. Such pro-rata PSUs shall continue to vest in accordance with clause 10 of the Scheme. In case 1 (one) year period between Grant and Vesting of PSUs (including Superlative PSUs) is not completed by the Participant with the Company/Subsidiary Company as on the Retirement date, the Unvested PSUs will lapse.</p> <p>All the aforesaid PSUs (including Superlative PSUs) that vest in accordance with above paragraph shall be permitted to be exercised by the Participant/Beneficiary only during the</p>



			original Exercise Period applicable to such PSUs (including Superlative PSUs), unless the NRC decides otherwise.
6	On Transfer to/from the Company and WOS	All the Vested PSUs (including Vested Superlative PSUs) as on the date of transfer in case the employment of the Participant with the Company or WOS is discontinued due to transfer to/from the Company and WOS the benefits under the Scheme would continue to the Participant and all the vested PSUs could be exercised by the Participant during the respective Exercise Period.	<p>All the Unvested PSUs (including Unvested Superlative PSUs) as on the date of transfer in case the employment of the Participant with the Company or WOS is discontinued due to transfer to/from the Company and WOS the benefits under the Scheme would continue to the Participant as if the Participant continues to be in the employment of the Company or WOS.</p> <p>All such PSUs (including Superlative PSUs) that vest in accordance with above paragraph shall be permitted to be exercised by the Participant/Beneficiary only during the original Exercise Period applicable to such PSUs (including Superlative PSUs), unless the NRC decides otherwise.</p>
7	On transfer from the Company/WOS to Company's Subsidiaries	All the Vested PSUs (including Vested Superlative PSUs) as on the date of transfer, shall be permitted to be exercised by the Participant before the expiry of the Exercise Period.	<p>All the Unvested PSUs (including Unvested Superlative PSUs) as on the date of transfer shall vest with the Participant on pro-rata basis for the period served with the Company/WOS. Such pro-rata PSUs shall continue to vest in accordance with clause 10.</p> <p>In case 1 year period between Grant and Vesting of PSUs is not completed with the Company/WOS due to transfer mentioned aforesaid, the Unvested PSUs (including Unvested Superlative PSUs) will lapse.</p> <p>All such PSUs (including Superlative PSUs) that vest in accordance with above paragraph shall be permitted to be exercised by the Participant/Beneficiary only during the original Exercise Period applicable to such PSUs (including Superlative PSUs), unless the NRC decides otherwise.</p>



8	Long Leave	All Vested PSUs (including Vested Superlative PSUs) to be exercised during the Exercise Period.	<p>All Unvested PSUs (including Unvested Superlative PSUs) would vest with the Participant on a pro-rata basis after adjusting the period of Long Leave. Such pro-rata PSUs shall continue to vest in accordance with clause 10 of the Scheme</p> <p>In case 1 (one) year period between Grant and Vesting of PSUs is not completed with the Company/WOS due to Long Leave, the Unvested PSUs (including Unvested Superlative PSUs) will lapse.</p> <p>All such PSUs (including Superlative PSUs) that vest in accordance with above paragraph shall be permitted to be exercised by the Participant/Beneficiary only during the original Exercise Period applicable to such PSUs (including Superlative PSUs), unless the NRC decides otherwise.</p>
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#### 14.2 Other

In case the employment of the Participant with the Company is discontinued for any reason other than those specified above, all Unvested PSUs with the Participant shall lapse on the last Working Day and the contract referred to in clause 9.2 above shall stand automatically terminated without surviving any right/ liability for the Participant of the Company/ Subsidiary Company. Unless the NRC decides otherwise, the Participants can Exercise all the Vested PSUs in accordance with clause 13 above on or before the date on which he is relieved from the company or before the expiry of the Exercise Period, whichever is earlier. Any Vested PSUs not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period and the contract referred to in clause 9.2 above shall stand automatically terminated without surviving any right/liability for the Participant or the Company/Subsidiary Company. However, the NRC may at its discretion waive such forfeiture wholly or partly.

The rights granted to Participant upon the grant of a PSU shall not afford the Participant any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company / Subsidiary Company for any reason whatsoever.

### 15. Notices and correspondence

- 15.1 Any notice required to be given by a Participant/Nominee to the Company/Board/NRC/Committee or any correspondence to be made between a Participant/Nominee and the Company/Board/NRC/Committee shall be addressed/e-mailed, unless otherwise notified by the NRC in writing, to:

(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](mailto: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: [secretarial.esop@tatamotors.com](mailto:secretarial.esop@tatamotors.com);  
Tel: 91-22-66657219

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

**16. Lock-in**

The Shares allotted/transferred pursuant to the Exercise of the Vested PSUs under clause 13 above with the Scheme shall not be subject to lock-in.

**17. Beneficiary/Nominee designation**

Each Participant under the Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Participant 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 Participant, shall be in the Nomination Form and will be effective only when filed by the Participant in writing/electronically with the Company during the Participant's lifetime.

**18. Non-transferability of PSUs**

The PSUs granted herein, are personal to the Participant. The PSUs cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Participant/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.

**19. Transferability of Shares**

Any Participant/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 PIT Regulations and other applicable laws.

**20. Certificate from Secretarial Auditors**

The NRC shall at each Annual General Meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Plan has been implemented in accordance with the SBEB Regulations and in accordance with the resolution of the Company in the General Meeting.

**21. Corporate Actions**

- 21.1 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 Participant. 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 Participants.
- 21.2 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 clause 7 shall stand modified accordingly, so as to ensure that the cumulative paid-up value (No. of shares



\*Face value per share) remains unchanged.

## **22. Accounting and Valuation**

- 22.1 The Company shall follow Ind AS 102 'Employee Share-based Payments' as prescribed by MCA under the Companies (Indian Accounting Standards) Rules as amended from time to time, the Guidance Note on Accounting for Employee Share based Payments, as applicable, and/or any relevant Accounting Standards/Guidance Note as may be prescribed by the Institute of Chartered Accountants of India from time to time or any other statutory authority from time to time, including the disclosure requirements prescribed therein, also as prescribed under the relevant provisions of SBEB Regulations.
- 22.2 The Company will determine the fair value of the PSUs using the suitable option pricing model when the same are issued to its employees i.e., Grant Date. The fair value will be recognized as employee costs over the vesting period, with a corresponding increase in equity.
- 22.3 When holding company issues PSUs, or benefits to the employee of its Subsidiary, the cost incurred by the holding company for issuing such option, or benefits shall be charged to respective Subsidiary and will be disclosed in the 'notes to accounts' of the financial statements of the Subsidiary company.
- 22.4 In a case falling under Clause 22.3, if the Subsidiary reimburses the cost incurred by the holding company in granting PSUs, or benefits to the employees of the Subsidiary, both the Subsidiary as well as the holding company shall disclose the payment or receipt, as the case may be, in the notes to accounts to their financial statements.

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

- 23.1 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.
- 23.2 Notwithstanding anything contained in the Scheme, if the Grant of the PSU and/or the Vesting of PSU 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, unless NRC decides to withhold in part or nil.
- 23.3 Notwithstanding anything else contained in this Scheme, no Shares/sale proceeds therefrom, as the case may be, shall be issued/allotted/transferred/distributed to the Participant/Nominee, on Exercise of the PSUs under the Scheme, unless appropriate levies/taxes/contributions/payments as given in this clause are recovered in full.

## **24. Dispute Resolution**

- 24.1 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 Executive Director of the Company for resolution within a further period of 30 days of such a reference to Executive Director. 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
- 24.2 If the Dispute is not settled within 30 days of its referral to Executive Director 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 Participant in connection with the Scheme.

## **25. Tenure**

- 25.1 This Scheme shall continue in effect till the time all the PSUs granted/vested are exercised by the respective Participants. The NRC may terminate the Scheme any time before subject to Shareholders' approval.
- 25.2 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 Participant/Beneficiary and the Board/NRC/the Company.

## **26. Governing Law**

- 26.1 This Scheme shall be governed by and construed in accordance with the Applicable Laws of India.
- 26.2 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.
- 26.3 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.
- 26.4 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.

## **27. Regulatory approvals**

- 27.1 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 Participant/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 Participant/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.
- 27.2 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.

## **28. Modification of Scheme**

- 28.1 The Board/NRC shall not vary the terms of the Scheme in any manner which may be detrimental to the interests of the Grantee/Participant/Beneficiary, however it shall be entitled to vary any of the terms of the Scheme so as to meet any regulatory requirements or for any adjustments for Corporate Actions announced by the Company prior to the Exercise Period pertaining to PSUs.
- 28.2 Subject to clause 26, the Board/NRC may, subject to a special resolution passed at a General Meeting, at any time and from time to time:
- a) Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Grantee/ Participant/ Beneficiary; without any reference to or consent of the Participant/Grantee/Beneficiary from time to time;
  - b) Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee/Participant/Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee/Participant/Beneficiary;
  - c) Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee/Participant/Beneficiary separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantee/Participant/Beneficiary;
  - d) Alter the Exercise Price for the PSUs which are not exercised, whether or not they have been vested, if the Scheme is rendered unattractive due to fall in market price of the Shares in the stock market; and
  - e) Vary the terms of the Schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the Grantee/ Participant/ Beneficiary.

## **29. Miscellaneous provisions**

- 29.1 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.
- 29.2 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.
- 29.3 Adherence to Applicable Laws: The Participant/Nominee shall comply with all Applicable Laws.
- 29.4 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.
- 29.5 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.
- 29.6 The Participant 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 Participant 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 Participant to disciplinary action at the discretion of the Company.
- 29.7 The acceptance of the Grant is entirely voluntary, and the Company does not guarantee any return on





PSUs. The Participant 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.

- 29.8 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.
- 29.9 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.
- 29.10 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 Participant/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 Participant/Grantee/Beneficiary or any other person shall have any claim against the Company as a result of such action.:
- 29.11 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.

### **30. Confidentiality**

The Participant 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 Participant 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 Participant 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 Participant.

### **31. Covenants of the Grantee**

The Grantee confirms that, during his/her employment with the Company/Tata Company/Subsidiary Company:

- i. the Grantee shall not engage himself/herself in activities that have or will have an adverse impact on the reputation of the Company or its Subsidiaries Companies.
- ii. the Grantee shall engage exclusively in the work assigned by the Company or its Subsidiaries, respectively, and shall not take up any independent or individual assignments, whether the same is part time or full time, (in an advisory capacity or otherwise) and whether directly or indirectly.
- iii. The Grantee shall not, directly or indirectly, engage in any activity or have any interest in, or perform any services for any person who is involved in activities which are or shall be (in the sole opinion of the Board) in conflict with the interests of the Company or its Subsidiaries Companies.



- iv. in consideration of the PSUs granted to the Grantee, as also, opportunities, training and access to new techniques and know-how that has been made available to the Grantee, the Grantee shall also strictly abide by any and all of the terms of the employment agreed by the Grantee.
- v. the Grantee shall maintain as secret and confidential all Confidential Information and shall not use or divulge or disclose any such Confidential Information except as may be required under any obligation of law (subject to obtaining the consent of the Company) or as may be required by the Company.
- vi. the Grantee understands that the Grant of the PSUs is limited only to the Shares of TML, and the Grantee shall have no recourse to the shares of any other company of the Tata group in any manner whatsoever.
- vii. The Grantee will be governed by the Company's Tata Code of Conduct ("TCOC") Policy and Social Media Policy.
- viii. the Grantee understands that "Confidential Information"\* means any or all information about the Company or its Subsidiaries Companies that satisfies one or more of the following conditions:
  - a. such information which has not been made generally available to the public, save and except for information disclosed to the public with the consent of the Company or its Subsidiaries companies; or
  - b. such information which is critical, in the Company's opinion, to the Company's current or anticipated business or research and development activities or those of a customer or supplier or associate or channel partner of the Company or its Subsidiaries Companies and the disclosure of the same would affect their competitiveness; or
  - c. such information which either has been identified as confidential by the Company or its Subsidiaries Companies (either orally or in writing) or has been maintained as confidential from outside parties and is recognized as intended for internal disclosures only; or
  - d. such information which either is of a nature that it gives a distinct edge to the Company or its Subsidiaries Companies over competition when not shared with the competitor, or is likely to give any advantage to the competitor or any other organization / person / group of persons when shared with the organization / person / group of persons; or
- ix. such information which is required to be kept confidential by any requirement of law.

\***"Confidential Information"** includes all trade related information, trade secrets, confidential and privileged information, customer information, employment related information, strategies, administration, research in connection with the Company or its Subsidiaries Companies and commercial, legal, scientific, technical data that are either provided to or made available to the Grantee by the Company or its Subsidiaries Companies to facilitate his/her work or that the Grantee is able to know or has obtained access by virtue of his/her employment or position with the Company or its Subsidiaries Companies, as the case may be.

To illustrate, the following is an indicative list of Confidential Information:-

- i. computer programs, inventions, samples, designs, drawings, machines, tools, photographs, source codes, object codes, methods, concepts, formulas, algorithms, processes, technical specifications, analyses, discoveries, improvements, marketing methods, manufacturing processes, research and development information;
- ii. organizational matters, business plans, company policies, sales forecasts, employee and personnel information (including information pertaining to their terms of employment, experience, contact details, appraisals, performance, competencies, specialized skills / expertise, medical information, etc.);



- iii. non-public financial information relating to the Company or its Subsidiaries Companies including its financial results for any period;
- iv. Business Plans of the Company or its Subsidiaries Companies including its monthly reports and estimates;
- v. Current and prospective customer lists and information on customers and their employees;
- vi. Information relating to existing and potential intellectual property of the Company or its Subsidiaries Companies;
- vii. Dividend policy of the Company or its Subsidiaries Companies including the intended declaration of dividend;
- viii. Issue of shares of the Company or its Subsidiaries Companies by way of public offers, rights issues, bonus issue, employee stock options;
- ix. Major expansion plans or execution of new projects including information concerning amalgamations, mergers, acquisitions and takeovers being planned or contemplated by the Company or its Subsidiaries Companies and information concerning the purchase of major equipment or property and the disposal of any undertakings of the Company or its Subsidiaries or its Associates or Group Companies;
- x. Information relating to the Company or its Subsidiaries Companies regarding acquisition or loss of significant contracts, significant disputes with major suppliers, consumers or any Governmental or regulatory agency;
- xi. Any information that may affect the earnings/ profitability of the Company or its Subsidiaries Companies;
- xii. Any other change in policies, plans or operations of the Company or its Subsidiaries Companies.

### **32. Proposed Restructuring of Tata Motors Limited**

The Company on March 4, 2024 has announced that by way of a Hon'ble Tribunal National Company Law Tribunal approved Scheme of Arrangement, two separate listed entities will be created to, *inter alia*, house the Commercial Vehicle business and the Passenger Vehicle business of Tata Motors Limited, separately.

Since, the Scheme envisages first allotment of Shares in the financial year 2027-28 upon exercise of PSUs Granted in financial year 2024-25 pursuant to the Scheme, it is likely that some of the Eligible Employees shall be employed with either of the listed entities and the performance matrices of both listed entities may differ based on business needs and policies to be adopted by NRC of the respective listed entities.

It is, therefore, expected that upon the proposed Scheme of Arrangement becoming effective, the NRCs of the respective listed entity shall review the present Scheme and recommend to the Board of respective listed entity to consider and approve the modifications to the Scheme and/or the terms/conditions/performance matrices, etc. which will be subject to obtaining of shareholders' approval afresh as well as approval of the regulatory authorities concerned.

In the event the Scheme of Arrangement, as envisaged by TML, does not become effective by September 2027 for any reasons whatsoever, the Scheme present will continue to be implemented on the terms and conditions as mentioned hereinabove.



## Annexure 1

*(On the letterhead of Tata Motors Limited)*

### Tata Motors Limited Share-based Long Term Incentive Scheme 2024

#### GRANT LETTER

Date:

To

«Employee Name»

Employee ID: «Persno»

«Personal\_Level»

Dear «Employee Name»

We are pleased to inform you that you have been selected by the Management of Tata Motors Limited ('Company') to participate in the Tata Motors Limited Share-based Long Term Incentive Scheme ('TML SLTI Scheme 2024' or 'the Scheme'), in line with the Scheme as approved by the Board/NRC. You have been granted Performance Share Units ("PSUs") under the Scheme. Subject to the terms and conditions of the Scheme, one PSU granted to you entitles you to subscribe to one Ordinary Share of the Company upon its Vesting.

The vesting will be subject to the conditions as provided in the TML SLTI Scheme 2024.

A copy of the Scheme specifying the terms and conditions applicable to the PSUs being granted hereunder, is available on the online portal for your reference.

Further details of the grant are provided below:

Grant date:

<<please insert date>>

Closing date for acceptance of grants:

<<please insert date>>

PSUs granted (nos.):

<<please insert number>>

Superlative PSUs granted (%):

<<please insert >>

Exercise price:

Rs. 2

Exercise period:

12 months from the date of Vesting

This grant is being made to you on the following terms and conditions:

1. The Grant is made to you personally and can be accepted only by you, on or before the Closing date specified in this letter.
2. The offer may be accepted by you by logging into the online portal and accepting the Grants available within the Grants section.
3. By your acceptance, you agree to be bound by the provisions of the Scheme.
4. Any failure to accept the Grants on or before the Closing date shall, unless, the NRC determine otherwise, be deemed to be a rejection of the offer by you and any acceptance received after the Closing date shall not be valid.
5. Your attention is also drawn to the Disclosure Statement available on the intranet and your acceptance will confirm that you have read the same.

Congratulations on receiving this offer, which comes to you in recognition of your continuous endeavor towards improving the business results of the Company. We are confident that you will continue to contribute to the activities of the Company with a sense of ownership and commitment. Your enthusiasm and the spirit to excel will have a positive impact on the performance and image of our Company.

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Tata Motors Limited  
(Authorized Signatory of the Company)



## Annexure 2

### Tata Motors Limited Share-based Long Term Incentive Scheme 2024

#### DECLARATION OF GRANT ACCEPTANCE

I accept the Grant offer to participate in the Scheme. Further, I declare and accept that:

1. I have read and understood the provisions of the Scheme, disclosures given in the Disclosure Statement and Annexure to the Grant Letter explaining the terms and Conditions of vesting in its entirety. I agree to abide by the terms and conditions set out in the Scheme.
2. The Grant of PSUs is of an occasional and extra-ordinary nature and constitutes a gratuitous and discretionary act by the Company. Consequently, no benefit derived from the PSUs granted under the Scheme, or any further offer, forms or shall form a part of my normal, habitual or expected remuneration.
3. The Grant of PSUs under the Scheme does not guarantee any entitlement to any future grant of PSUs under any other Scheme(s) of the Company.
4. I hereby accept that no Shares/sale proceeds therefrom, as the case may be, shall be issued/disbursed to me or my Beneficiary, on Exercise of the PSUs under the Scheme unless appropriate levies/taxes/contributions/payments are recovered from me.
5. I will not carry on or engage directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever as mentioned under the Scheme, whether for profit or otherwise any business which competes directly or indirectly with the whole or any part of the business of or any other business carried on by the Group or any activity related to the business carried on by the Group.
6. I confirm that the address for communication would be as per the company records, and I will intimate the company about any change in this address.

I hereby accept <no of grants> (in words) PSUs and <no of grants> (in words) Superlative PSUs granted under the TML SLTI Scheme 2024.

Date:

Name:

Employee Code:



**Annexure 3**

**Tata Motors Limited Share-based Long Term Incentive Scheme 2024**

**NOMINATION FORM**

**To**

**The Board/NRC**

Tata Motors Limited,  
Bombay House,  
24, Homi Mody Street,  
Fort, Mumbai- 400001

In respect of the PSUs granted to me under the Scheme, I wish to nominate the following person(s) in accordance with the terms of the Scheme thereunder, to be allotted the Shares against the Vested PSUs which I am entitled to in accordance with the terms and conditions of the Scheme, in the event of my death.

<b>Sr No</b>	<b>Name of the beneficiary (in full)</b>	<b>Gen-der</b>	<b>Age</b>	<b>Relation-ship</b>	<b>Address</b>	<b>Proportionate Share (total 100%)</b>

The above nominated beneficiaries shall supersede, revoke and replace any nomination made by me previously and shall remain in force unless suspended, revoked and replaced by subsequent nomination made by me in writing.

Date:

Participant Signature:

Name of Participant: «Employee Name»

Employee Code: «Persno»

In the presence of witness 1

Name & signature

In the presence of witness 2

Name & signature