

**TVS Supply Chain Solutions Limited**  
**Amended Management Incentive Plan II 2018**

(a) **Salient features of Scheme II**

This TVS SCS Management Incentive Plan II 2018 (hereinafter referred to as "**MIP II 2018**" or "**Scheme II**") is pursuant to and under the authority granted in terms of approval by the shareholders at the Extraordinary general meeting of the Company held on November 19, 2018 and as amended by the special resolution of the shareholders on March 24, 2021 and 31 January 2022, respectively and in accordance with the applicable provisions of the Companies Act, 2013 read with Rules made thereunder<sup>1</sup>. Scheme II shall be in accordance with the regulations prescribed by the Central Government and / or any other regulatory authority as applicable to the Company and shall not contravene any other law, for the time being in force that is material for giving effect to Scheme II.

Scheme II applies to all Employees (as defined herein below). The Committee (as defined below) would decide the entitlement of each Employee based on his/her level, grade, seniority and other relevant factors.

Scheme II shall be deemed to have come into force from the date of approval of Scheme II by way of a special resolution of the shareholders of the Company.

**1. Definitions and Interpretations**

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

- (a) "**Award Agreement**" means a written award agreement between an Employee and the Company, confirming the grant of the Option and evidencing the terms and conditions upon which they may be exercised and sold;
- (b) "**Board**" means the board of directors of the Company;
- (c) "**Committee**" means the nomination and remuneration committee constituted by the Board of Directors;
- (d) "**Company**" means TVS Supply Chain Solutions Limited and its successor or assigns;
- (e) "**Employee**" means
  - (i) a permanent employee of the Company who has been working in India or out of India; or
  - (ii) a director of the Company, whether a whole time director or not but

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<sup>1</sup> For the sake of clarity, options granted to employees from 2019 to 2021 have lapsed as vesting conditions have become inapplicable.

excluding an independent director; or

- (iii) an employee as defined in clauses (i) or (ii) of a Subsidiary in India or outside India

but does not include:

- (i) an employee who is a Promoter or a person belonging to the Promoter Group; or
  - (ii) a director who either himself/herself or through his/her relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company;
- (f) "**Exercise**", in relation to Options, means, issuance of an Exercise Notice by an Employee to the Company for issue of Shares against vested options in pursuance of MIP II 2018;
- (g) "**Exercise Notice**" means the notice by which an Employee requests the Company to allot Shares pursuant to the Options vested in him/her under the Grant and the MIP II 2018;
- (h) "**Exercise Period**" means a period of one year after Vesting within which an Employee should Exercise his/her right to apply for Shares against the vested Options or any other period as may be deemed fit by the Committee<sup>2</sup> and may vary for different Employees;
- (i) "**Exercise Price**" means the price payable by the Employee for exercising the Options granted to him/her in pursuance of MIP II 2018. The Exercise Price shall be specified by the Committee at the time of the Grant, and shall be equal to INR 95<sup>3</sup> per Share or such other price which shall in any event not be: (i) less than the face value of the Shares of the Company and (ii) more than: (A) the 'market price' (that is, latest available closing price on a recognised stock exchange, having highest trading volume, on which the Shares of the Company are listed) of the Shares at the time of grant or (B) the 'fair market value' of the Shares at the time of grant, if the Company is not listed at the time of grant (and such 'fair market value' must be determined by a person qualified to undertake valuation of shares for the purposes of the Companies Act, 2013 and the Foreign Exchange Management Act, 1999 (and the rules and regulations issued under such enactments), using an internationally accepted valuation methodology;

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<sup>2</sup> Pursuant to resolution passed by the Nomination and Remuneration Committee dated 07 February 2024, the Exercise Period has been extended to 31 March 2026.

<sup>3</sup> Pursuant to shareholders' resolution dated 31<sup>st</sup> January 2022 the Shares were sub-divided into 58,80,00,000 having face value of INR 1 each Share from 5,88,00,000 having face value of INR 10 each share. Accordingly, in furtherance of Clause 19(b) of this Scheme II, the Nomination and Remuneration Committee has revised the Exercise Price to INR 95 per Share

- (j) "**Grant**" means the process whereby the Committee passes a resolution granting a specified number of Options to an identified Employee under MIP II 2018;
- (k) "**Grantee**" means an Employee who has been granted an Option under Scheme II and signed his /her acceptance thereof by way of an Award Agreement in accordance with the terms and conditions set forth in Scheme II;
- (l) "**Grant Date**", with respect to any Options means the grant date as specified in the Award Agreement pursuant to which an Employee is granted Options;
- (m) "**Listing Event**" means listing and trading of the Shares on a recognised stock exchange;
- (n) "**Option**" means the option granted to an Employee under Scheme II that gives him/her a right to purchase or subscribe to, at a future date, the Shares offered by the Company, directly or indirectly, at the Exercise Price. This is a right but not an obligation granted to an Employee under Scheme II to apply for and be allotted Shares of the Company at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting. Each Option granted would represent the right to apply for such number of Shares of the Company as set out in Clause 3 below;
- (o) "**Promoter**" shall have the meaning assigned to it under Companies Act, 2013 and applicable regulations made by the Securities and Exchange Board of India;
- (p) "**Promoter Group**" shall have the same meaning assigned to it under the applicable regulations made by the Securities and Exchange Board of India;
- (q) "**Shares**" means equity shares of the Company of face value of INR 1<sup>4</sup> each;
- (r) "**Subsidiary**" means any present or future 'subsidiary' (as defined under the Companies Act, 2013) of the Company;
- (s) "**Vesting**" means the process by which an Employee becomes entitled to receive the benefit of a Grant pursuant to MIP II 2018;
- (t) "**Vesting Period**" means the period from the date of Grant of the Option till the date on which the Grantee becomes eligible to Exercise the Options, which shall be determined in accordance with Clause 11 of this Scheme II.

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<sup>4</sup> Pursuant to shareholders' resolution dated 31<sup>st</sup> January 2022 the Shares were sub-divided into 58,80,00,000 having face value of INR 1 each Share from 5,88,00,000 having face value of INR 10 each share.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Companies Act, 2013, or the Companies Act, 1956 (to the extent in force) or any statutory modification or re-enactment thereof, as the case may be.

## **1.2 Interpretation**

In this document, unless otherwise stated or intention appears:

- (a) words denoting the singular shall include the plural and vice versa;
- (b) the words importing a gender include every gender.
- (c) heading and bold type face are only for convenience and shall not affect the interpretation hereof;
- (d) references to the word "include" or "including" shall be construed without limitation; and
- (e) references to any statute or statutory provision or rule or regulation shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

## **2. Purposes**

The purposes of Scheme II are:

- (a) To enable the Company to achieve sustained growth and shareholder value creation by aligning the interests of the Employees with the long-term interests of the Company;
- (b) To attract and retain the talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company
- (c) To provide existing Employees an opportunity for investment in the Company's equity Shares in recognition of their efforts to grow and build the Company.

## **3. Quantum of Shares subject to MIP II**

The maximum number of Options available for Grant under the MIP II 2018 shall be 5,145,000<sup>5</sup>. Each Option when exercised will convert into one Share of the Company.

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<sup>5</sup> Pursuant to shareholders' resolution dated 31<sup>st</sup> January 2022 the Shares were sub-divided into 58,80,00,000 having face value of INR 1 each Share from 5,88,00,000 having face value of INR 10 each share. Accordingly, in furtherance of Clause 19(b) of this Scheme II, the Nomination and Remuneration Committee has revised the Plan Pool to 5,145,000

Where Shares are issued consequent upon Exercise of an Option under Scheme II, the maximum number of Shares that are subject to Options referred above shall stand reduced to the extent of such Shares issued.

Provided that the Committee shall not make any Grant which results in more than 5145,000<sup>6</sup> Options being outstanding at any time (as adjusted for any Options which have already been Exercised and converted into Shares).

#### **4. Scheme Administration**

- (a) The Scheme shall be administered by the Committee constituted by the Board in accordance with applicable laws. The Board shall have the power to reconstitute the Committee from time to time.
- (b) The Committee shall, inter alia, formulate the detailed terms and conditions of Scheme II which shall include the provisions as specified under applicable laws and shall ensure due implementation of the same.
- (c) The Committee shall frame suitable policies and procedures to ensure that there is no violation of any applicable laws, as amended from time to time, by the Company and its Employees, as applicable.
- (d) The Committee shall have power to administer Scheme II, and prescribe or amend any additional rules for the administration of Scheme II (which are not in conflict with this Scheme II, as approved by the shareholders of the Company).
- (e) Each Grantee shall be provided a copy of this Scheme and a copy of the Award Agreement.

#### **5. Effective Date**

Scheme II shall be deemed to have come into force with effect from the date of approval of Scheme II by way of a special resolution of the shareholders of the Company. Scheme II shall continue to be in force until (i) its termination by the Committee or the Company in accordance with the applicable laws (ii) the date on which all of the Options available for issuance under this Scheme II have been issued and Exercised.

#### **6. Grant of Options**

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<sup>6</sup> Pursuant to shareholders' resolution dated 31<sup>st</sup> January 2022 the Shares were sub-divided into 58,80,00,000 having face value of INR 1 each Share from 5,88,00,000 having face value of INR 10 each share. Accordingly, in furtherance of Clause 19(b) of this Scheme II, the Nomination and Remuneration Committee has revised the Plan Pool to 5,145,000

The Committee may grant Options to the eligible Employees based on their qualification, experience, performance, hierarchy level and other related factors, under any of the following circumstances:

- (a) At the time of joining employment; or
- (b) At the time of regular performance reviews and depending upon the nature of review that an Employee obtains; or
- (c) At any other time that the Committee may deem fit.

## **7. Eligibility**

- (a) The Committee will determine and designate from time to time, Employees of the Company and / or Subsidiary (ies) to whom Options are to be granted and the number of Shares by such Grants. The Options shall be granted by the Committee to such Employees under an Award Agreement signed by the Chairman/ Authorized Signatory of the Committee and the Grantee. The Committee in its sole discretion can change the eligibility criteria during the tenure of Scheme II as it may deem fit.
- (b) In determining the eligibility of an Employee to receive Options under Scheme II, the Committee shall consider factors such as position and role criticality of an Employee, the nature and value to the Company of his/her services and accomplishments, his/her present and potential contribution to the success of the Company, past service and geographical location and such other factors that the Committee may deem relevant. The Committee however, is authorized to change the eligibility criteria from time to time.
- (c) In case of directors, the eligibility would depend on the period for which the office of the director is held by the incumbent or proposed to be held by the incumbent and such other factors as the Committee may think appropriate. The Committee at its discretion may extend the benefits of Scheme II to a new director

## **8. Terms and Conditions of Options**

Options shall be subject to the following terms and conditions and to such other terms and conditions (not inconsistent with Scheme II) as shall from time to time be approved by the Committee and incorporated in Scheme II.

- (a) No Employee shall have any right to demand Grant of Options from the Company, nor shall the Company have any such obligation to any Employee.
- (b) It is clearly understood that the Grant or Vesting of any Options to an Employee, per se, does not assure or guarantee accrual of a benefit or profit or

gain.

- (c) Even after the completion of the Vesting Period, the Grantee will not be entitled to any voting rights, dividends, rights issue or bonus Shares issued until such time as the Options are exercised and Shares issued thereunder are allotted to the Grantee.

## **9. Award Agreement**

The Grant of Options shall be confirmed by an Award Agreement (in the form prescribed by the Committee) which shall be executed by the Committee and an Employee at the time of such Grant. The Award Agreement shall expressly state or incorporate by reference, the provisions of Scheme II.

## **10. Option Accounting**

In respect of Options granted during any accounting period, the accounting value of the Options shall be treated as another form of employee compensation in the financial statements of the Company.

## **11. Vesting Period**

Vesting of the Options granted under the MIP II 2018 shall occur, subject to the Employee having remained in the employment of the Company, if the closing of the initial public offering of the Shares of the Company occurs on or before 30 September 2023<sup>7</sup>.

**Further provided that** the Vesting of Options shall be subject to the minimum vesting period of one year from the date of grant of Options.

In the event of death of an Employee while in employment, all the Options granted as on the date of the Grantee's death, shall forthwith vest in legal heirs or nominees of the deceased Employee on that date and can be exercisable by them within the time period stated in clause 16. Similarly, in the event of total and permanent disability of an Employee while in employment, all the Options granted as on the date of such total and permanent disability shall vest forthwith in him/her, and can be exercisable by him/her, within the time period specified in clause 16.

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<sup>7</sup> Pursuant to a special resolution passed at the extraordinary general meeting held on 12 April 2023, Clause 11 has been amended to delete "(a) the closing of the initial public offering of the Shares of the Company occurs on or before 30 June 2022 and

(b) the market capitalization of the Company (based on market closing price) for at least 90 (ninety) days, during a 12 (twelve) month period immediately after the consummation of the initial public offering of the Shares of the Company, is at least INR 7500,00,00,000 (seven thousand five hundred crores).

Provided that the conditions in (a) and (b) should be satisfied by 13 September 2023, failing which all the options shall expire forthwith." and substituted with "30 September 2023".



## **12. Exercise of Options**

An Employee has the right to Exercise his/her vested Options at any time during the Exercise Period subject to the following conditions:

- (a) The Option may be exercised during the continuance of an Employees' employment with the Company and/ or its Subsidiary(ies) subject to the provisions of Clause 11 and 16.
- (b) The Options may be exercised by an Employee only by a written Exercise Notice (in the form prescribed by the Committee) to the Committee specifying the number of Options to be exercised. The Option shall be deemed to be exercised when an Employee pays to the Company a consideration equal to the respective Exercise Price of the Option and upon satisfaction of the tax liability set out in Clause 24.
- (c) As soon as practicable, on receipt of the Exercise Notice and receipt of consideration thereof, the Committee shall make the necessary arrangement for allotment of Shares in lieu thereof to the relevant Employee. Shares allotted and issued on Exercise of an Option shall be subject to all provisions of the constitutional documents of the Company.
- (d) Notwithstanding anything contained herein or elsewhere in this Scheme, it is hereby clarified that the Company is under no obligation to either buy the Shares or pay any compensation to any Employee under this clause as a result of the inability or unwillingness of the Employee to acquire any Shares, whether due to lack of funds, any restriction under law or otherwise.
- (e) In case, the Employee does not exercise the Options during the Exercise Period or such earlier date, they will lapse and no rights will accrue after that date.
- (f) The unexercised and lapsed Options, if any can be allocated to such Employees as may be determined by the Committee, in its absolute discretion.
- (g) Notwithstanding anything contained herein or elsewhere in this Scheme II, it is hereby clarified that the Company is under no obligation to provide or advance any funds to Employees to facilitate the exercise of any Options or the acquisition of any Shares.

## **13. Non Resident Employees**

Grant of Options, if any, under Scheme II to Employees who are non-residents shall be in compliance with the provisions of the prevailing laws of the jurisdiction of such Employees subject to the same being in accordance with the provisions of applicable law, including the Foreign Exchange Management Act, 1999, regulations made by the

Securities and Exchange Board of India, and any other statutory provisions applicable under relevant Indian laws.

#### **14. Lock – in Period for sale of Shares exercised under Scheme II**

The Shares allotted upon Exercise of Options granted under Scheme II are not subject to any lock-in period and in the event of listing with the stock exchanges, subject to applicable laws, they would be freely tradable in the stock exchanges.

#### **15. Variation of terms of MIP II 2018 & Re Pricing**

The Company shall not vary the terms of the MIP II 2018 in any manner, which may be detrimental to the interests of the Employees.

The Company may by special resolution in a general meeting vary the terms of MIP II 2018 offered pursuant to an earlier resolution of a general body but not yet exercised by an Employee provided such variation is not prejudicial to the interests of the Option holders and further provided that the consent of the parties to the Shareholders' Agreement shall be required for such variation/modification as long the Shareholders' Agreement remains in force.

The notice for passing special resolution for variation of terms of MIP II 2018 shall disclose full details of the variation, the rationale thereof, and the details of the Employees who are beneficiary of such variation.

The Company may in its sole discretion, re-price Options which are not exercised, whether or not they have been vested, if MIP II 2018 were rendered unattractive, provided that the Company determines that such re-pricing shall not be detrimental to the interest of the Employees and the approval of shareholders in a general meeting has been obtained for such re-pricing, and provided that the consent of the parties to the Shareholders' Agreement has been obtained (as long the Shareholders' Agreement remains in force).

#### **16. Resignation or Termination of Employment**

16.1 If a Grantee's employment with the Company terminates for Cause, then the Options' Granted (whether previously Vested or not), will lapse on the date of such termination of employment.

"Cause" shall mean, as determined by the Committee, (i) engaging by an Employee in wilful, reckless or grossly negligent misconduct or negligence, which is determined by the Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, or (ii) an Employee pleading guilty to or conviction of a criminal offence, or (iii) fraud,

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misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company to any third party, or (iv) employment of an Employee in any other organisation or provision of services by an Employee for any other organisation, or (v) any other reason which is determined by the Committee to be detrimental to the interest of the Company.

- 16.2 If a Grantee's employment with the Company terminates due to voluntary resignation on the part of the Grantee, then all Options which have not vested as on the date of resignation shall lapse forthwith. All Options vested in the Employee as on the date of resignation can be exercised by an Employee prior to the expiry of Exercise Period or within 60 days of date of resignation, whichever is earlier. If a Grantee's employment with the Company terminates due to completion of his/her contract, then all Options which have not vested at the time of completion of the contract shall lapse forthwith, and all Options which are vested at the time of completion of the contract can be exercised by an Employee prior to the expiry of Exercise Period or within 60 days of date of termination, whichever is earlier.
- 16.3 (i) if a Grantee dies while in the employment of the Company, then the Options granted shall forthwith vest in his/her legal heirs or nominees and (ii) if a Grantee suffers from total and permanently disability while in the employment of the Company, then the Options granted shall forthwith vest in him/her; and the Options must be exercised as below:
- (a) In case of death, within (i) 1 (one) year from the date of death or date of Vesting (whichever is later) or (ii) such extended time provided by the Committee.
  - (b) In case of total and permanent disability, within (i) 1 (one) year from the date of total and permanent disability or date of Vesting (whichever is later) or (ii) such extended time provided by the Committee.
- 16.4 In the event of a termination of employment for reasons other than those referred in clause 16.1, 16.2 or 16.3, all Options which have not vested will lapse forthwith. The vested Options can be exercised by the Employee prior to the expiry of Exercise Period or such extended period as determined by the Committee.

## **17. Vesting and Exercise of Options in case of Employees on long leave**

The period of leave shall not be included in determining the Vesting Period in the event an Employee is on a sabbatical. In all other conditions, including earned leave, maternity leave and sick leave, the period of leave shall be included to calculate the Vesting Period.

A Grantee on leave (other than a sabbatical) can Exercise his/her Option as per the terms of the Award Agreement.

## **18. Non – Transferability**

Each Option granted under Scheme II shall by its terms be non-transferable by the Grantee (except by will or the laws of descent and distribution), and each Option shall be exercisable during the Grantee's lifetime only by the Grantee.

The Option granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

## **19. Changes in Capital**

- (a) The existence of Scheme II and any Award Agreement hereunder shall not affect, in any way, the right or power of the Board or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization (including but not limited to initial public offering of the Company's Shares) or other change in the Company's capital structure or its business, or any merger or consolidation of the Company or its Subsidiary, any issue of debt, preferred or prior preference stock ahead of or affecting stock, the authorization or issuance of additional Shares, the dissolution or liquidation of the Company or its Subsidiaries, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.
- (b)
  - (i) Upon changes in the outstanding Shares by reason of a stock dividend, stock split, reverse stock split, sub-division, recapitalization, reclassification, merger, consolidation (whether or not the Company is a surviving corporation), combination or exchange of Shares, separation, or reorganization, or in the event of an extraordinary dividend, "spin-off", liquidation, other substantial distribution of assets of the Company or acquisition of property or stock or other change in the capital of the Company, or the issuance by the Company of Shares without receipt of full consideration thereof, or rights or securities exercisable, convertible or exchangeable for Shares of such capital stock, or any similar change affecting the Company's capital structure, the aggregate number, class and kind of Shares available under Scheme II as to which Options may be granted and the number, class and kind of Shares under each outstanding Option and the Exercise Price per Share applicable to any such Option may be appropriately adjusted by the Board along with such approvals as may be necessary to preserve the benefits or potential benefits intended to be made available under Scheme II or with respect to any outstanding Options or otherwise necessary to reflect any such change, in a manner that the Board and / or the Committee deems fit.
  - (ii) Fractional Shares resulting from any adjustment in Options pursuant to clause 19(b)(i) shall be aggregated until, and eliminated at, the time of Exercise of the affected Options. Notice of any adjustment shall be given by the Committee to each participant whose Options have been adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all the purposes of Scheme II.

## **20. Change in Control**

In the event of:

- (i) a stock sale, merger, consolidation, combination, reorganization or other transaction resulting in less than 50% of the combined voting power of the surviving or resulting entity being owned by the shareholders of the Company immediately prior to such transaction and resulting in cessation of control of the existing shareholders of the Company; and / or
- (ii) the liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets or business of the Company

(other than, in the case of either clause (i) or (ii) above, in connection with any employee benefit scheme of the Company or a Subsidiary),

the Board may take such steps (including but not limited to acceleration of the vesting of options / cancellation of options and paying cash in lieu thereof / amendment to the exercise period) as it deems fit and on such terms and conditions as it deems appropriate, provided that as long the Shareholders' Agreement remains in force, the prior consent of the parties to the Shareholders' Agreement shall be required for any decision in this regard. No Grantee shall have any right to prevent the consummation of any of the foregoing acts affecting the number of Shares available to such Grantee. Notwithstanding the foregoing adjustments, in no event may any Option be exercised after Seven years from the date it was originally granted subject to the other terms and conditions of MIP II 2018.

## **21. Corporate Actions**

Notwithstanding anything contained under this Scheme, the Committee shall, inter alia, formulate the detailed terms and conditions of the MIP II 2018 including the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.

In this regard, following shall be taken into consideration by the Committee:

- (i) the number and the price of the Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action;
- (ii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Grantee.

## **22. Right as a Shareholder**

The Grantee shall have no rights as a shareholder of the Company with respect to the

Shares subject to an Award Agreement until such time as the Exercise Price relating to such Option has been paid and the Shares have been issued and delivered to him or her. Following the allotment and issuance of Shares to a Grantee, the rights of the Grantee as a shareholder of the Company shall be as set out in the constitutional documents of the Company.

## **23. No Right of Employment**

The Grant of Options under this Scheme does not create a right to continued employment with the Company or its Subsidiaries. Nothing in this Scheme or Award Agreement shall interfere with or limit in any way the right of the Company or Subsidiary to terminate the employment of the Grantee at any time.

## **24. Tax Liability**

- (a) In the event of any tax liability, including any tax liability arising on account of change in the tax laws relating to the MIP II 2018, arising on account of the Grant of Options and /or allotment of the Shares to an Employee, the liability shall be that of the Employee alone and the Company shall be indemnified to the extent of applicable taxes, if any, levied at any point of time upon the Company.
- (b) No Shares shall be issued to the Grantee or beneficiary, on Exercise of the Options under this Scheme unless appropriate taxes as required under the applicable tax laws, are discharged. Such taxes may either be deducted from the Grantee's salary and / or can be separately discharged by the Grantee by giving a cheque / demand draft to the Company for the said amount.
- (c) The Company shall have the right to deduct from the salary, for any obligation towards deduction of tax at source arising in connection with the Option or the Shares acquired upon the Exercise thereof.
- (d) The Company shall have no obligation to deliver Shares or to release Shares in pursuance of the Option until the Company's tax obligations, if any, in relation to the Options or the Shares, have been satisfied by the Grantee.
- (e) All tax liabilities arising on disposal of the Shares after Exercise would be borne by, and shall be the responsibility and liability of, the relevant Employee.

## **25. Interpretation and Amendments**

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

The Committee may amend or terminate Scheme II from time to time in such respects as the Committee may deem advisable except that without the requisite approval of

the shareholders, no such revision or amendment shall change the number of Shares subject to Scheme II except in case of corporate actions which inter alia includes bonus issue, right issue, consolidation of Shares into Shares of larger denomination, split of Shares into Shares of smaller denomination etc., change the designation of the class of Employees eligible to receive Options, or add any material benefit to Grantees under Scheme II. Any amendment shall not affect the benefits already secured for the existing beneficiaries under this Scheme. Any amendment proposed under this provision shall be in compliance with all applicable laws and shall require the prior approval of the parties to the Shareholders' Agreement, as long as the Shareholders' Agreement is in force.

Provided further that notwithstanding anything contained in this Scheme II, subject to applicable law the Committee shall not change the number of Shares subject to Scheme II, or change the Exercise Price of Options granted under Scheme II, or extend the Vesting Period, without the prior approval of the parties to the Shareholders' Agreement, as long as the Shareholders' Agreement is in force.

## **26. Notices**

All notices under Scheme II shall be in writing, and if to the Company, shall be delivered to the Chairman of the Committee or mailed to its principal office addressed to the attention of the Chairman of the Committee, and if to the Employee shall be delivered personally or mailed to the Employee at the address appearing in the payroll records of the Company. Such address may be changed at any time by a written notice to the other party.

## **27. Termination of Scheme II**

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

- (a) The effective date of a resolution adopted by the Committee or the Board terminating Scheme II; or
- (b) The date all Shares subject to Scheme II are delivered pursuant to Scheme II's provisions;

No Options may be granted under Scheme II after the earliest to occur of the events or dates described in paragraphs (a) and (b) of this clause but Options granted heretofore shall continue in force beyond that date pursuant to these terms, except they may otherwise lapse or be terminated in accordance with the terms of Scheme II or the Award Agreement.

No such termination of Scheme II shall affect the previously accrued rights of any Grantee hereunder and all Options previously granted hereunder shall continue in force and in operation after the termination of Scheme II, except as they may be otherwise terminated in accordance with the terms of Scheme II or the Award Agreement.

## **28. Other Terms**

Options granted pursuant to Scheme II shall contain such other terms, provisions and conditions (which need not be identical) not inconsistent herewith as shall be determined by the Committee.

Notwithstanding anything to the contrary contained herein or in any Award Agreement, the Company shall not be required to issue Shares if the issuance violates any provision of any law or regulation of any government authority or SEBI or a stock exchange to the extent applicable to the Company.

Participation in this Scheme shall not be construed as a guarantee of return on the Shares purchased from the Options. The risks associated with investment in Shares are that of the Grantee alone.

## **29. Governing Law**

This Scheme 1 shall be governed by and construed in accordance with the laws of India.



## APPENDIX SINGAPORE

Additional terms and conditions for Options received by eligible Employees of TVS Supply Chain Solutions Pte. Ltd., resident in Singapore.

This Appendix is an integral part of MIP II 2018 and is applicable to eligible Employees of TVS Supply Chain Solutions Pte. Ltd., that are resident in Singapore. The following provisions shall be included as part of MIP II 2018 in order to accommodate the specific requirements of laws of Singapore.

Any capitalised term not defined in this Appendix will have the definition as provided for in Scheme II above.

1. Clause 1 (Definitions and Interpretations)

**“Qualifying Person”** means the spouse, widow, widower or a child, adopted child or stepchild below the age of 18 of the Employee

2. Clause 11 (Vesting Period)

Vesting of the Options granted under the MIP II 2018 shall occur, subject to the Employee having remained in the employment of the Company, if the closing of the initial public offering of the Shares of the Company occurs on or before 30 September 2023<sup>8</sup>.

**Further provided that** the Vesting of Options shall be subject to the minimum vesting period of one year from the date of grant of Options.

In the event of the death of an Employee while in employment, all the Options granted as on the date of the Grantee’s death, shall forthwith vest in such Qualifying Person as may be nominated by the deceased Employee on that date and can be exercisable by them within the time period stated in clause 16. Similarly, in the event of total and permanent disability of an Employee while in employment, all the Options granted as on the date of such total and permanent disability shall vest forthwith in him/her, and can be exercisable by him/her, within the time period specified in clause 16.

3. Clause 14 (Lock-in period for sale of Shares exercised under Scheme II)

The Shares allotted upon Exercise of Options granted under Scheme II are subject to a lock-in period of six months and in the event of listing with the stock exchanges, subject to applicable laws and such six-month lock-in period, they would be freely

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<sup>8</sup> Pursuant to a special resolution passed at the extraordinary general meeting held on 12 April 2023, Clause 11 has been amended to delete “(a) the closing of the initial public offering of the Shares of the Company occurs on or before 30 June 2022 and

(b) the market capitalization of the Company (based on market closing price) for at least 90 (ninety) days, during a 12 (twelve) month period immediately after the consummation of the initial public offering of the Shares of the Company, is at least INR 7500,00,00,000 (seven thousand five hundred crores).

Provided that the conditions in (a) and (b) should be satisfied by 13 September 2023, failing which all the options shall expire forthwith.” and substituted with “30 September 2023”.

tradable in the stock exchanges. During the period of six months following the allotment of Shares upon Exercise of Options, the Grantee shall not transfer the Shares to any persons.

4. Clause 16.3 (Resignation or Termination of Employment)

(i) if a Grantee dies while in the employment of the Company, the Options granted shall forthwith vest in such Qualifying Person as may be nominated by the deceased Employee and (ii) if a Grantee suffers from total and permanently disability while in the employment of the Company, the Options granted shall forthwith vest in him/her; and the Options must be exercised as below:

- (a) In case of death, within (i) 1 (one) year from the date of death or date of Vesting (whichever is later) or (ii) such extended time provided by the Committee.
- (b) In case of total and permanent disability, within (i) 1 (one) year from the date of total and permanent disability or date of Vesting (whichever is later) or (ii) such extended time provided by the Committee.