
**TVS SUPPLY CHAIN SOLUTIONS
EMPLOYEE STOCK OPTION PLAN
2021**

TVS SUPPLY CHAIN SOLUTIONS LIMITED

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TVS SUPPLY CHAIN SOLUTIONS LIMITED EMPLOYEE STOCK OPTION PLAN 2021

This Plan (defined hereunder) has been formulated and recommended by the Nomination and Remuneration Committee (defined hereunder) and adopted by the Board (defined hereunder) of TVS Supply Chain Solutions Limited ("**Company**") and approved by it at its meeting held on 7 February 2022, subject to the authority vested in it by, and approval of, the Shareholders by way of special resolution passed on 25 March 2022.

1. NAME AND OBJECTIVE OF THE PLAN

- 1.1 This Plan shall be called the "TVS Supply Chain Solutions Employee Stock Option Plan 2021" ("**Plan**") which expression shall include any alterations, amendments or modifications to it, from time to time.
- 1.2 In today's competitive world, the employees of a company are its most important resource and asset. The Company fully recognizes the same and therefore wants its Employees (defined hereunder) to participate and share the fruits of growth and prosperity of the Company.
- 1.3 The objectives of the Plan are:
 - 1.3.1 create a sense of ownership and participation amongst the Employees;
 - 1.3.2 motivate the Employees with incentives and reward opportunities;
 - 1.3.3 drive entrepreneurship mindset of value creation for the organization;
 - 1.3.4 provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company; and
 - 1.3.5 achieve sustained growth of the Company and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.

2. DEFINITIONS AND INTERPRETATION

The terms defined in this Plan shall for the purposes of this Plan, have the meanings specified herein and terms not defined shall have the meanings as defined in the Securities Contracts (Regulation) Act, 1956 (as statutorily amended and modified); the Companies Act, 2013 (as statutorily amended and modified); the SEBI (SBEB&SE) Regulations, 2021 (as statutorily amended and modified) or in any statute or re-enactments hereof, as the case may be:

- 2.1 **Applicable Law** shall mean laws of India including rules, regulations and guidelines to the extent applicable to the Company and this Plan, as amended and modified from time to time. Accordingly, any action taken under the Plan shall be governed by and construed in accordance with the laws of India, without regard to the application of the conflict of laws' provisions under the Applicable Law;
- 2.2 **Associate Company** shall have the same meaning as defined under section 2(6) of the Companies Act, 2013;
- 2.3 **Board of Directors / Board** means the Company's Board of Directors;
- 2.4 **Business Day** means any day other than a Saturday, a Sunday or any day on which banks in the city where the Company's registered office is situated, is permitted to be closed;

- 2.5 **Cause** will have the same meaning ascribed to such term in any written agreement between the Option Holder and the Company/ Subsidiary Company/ Holding Company defining such term and in the absence of such agreement, such term means, with respect to an Option Holder, the occurrence of any of the following events:
- (i) being convicted of an offence involving moral turpitude or that disentitles the Option Holder from being associated with the Company as an Employee or otherwise in accordance with the Company's/ Subsidiary Company's/ Holding Company's policies and/or applicable law; or
 - (ii) commission of fraud, misappropriation or embezzlement of funds of the Company/ Subsidiary Company/ Holding Company, by the Option Holder;
 - (iii) wilful dishonesty, gross misconduct by the Option Holder;
 - (iv) abandonment of services by the Option Holder;
 - (v) termination of employment of the Option Holder by the Company/ Subsidiary Company/ Holding Company for reasons relating to performance of such Option Holder or otherwise and such determination by the Board and/or the Company/ Subsidiary Company/ Holding Company (as the case may be) will be final and binding;
 - (vi) any other action(s) of the Option Holder that, in view of the Board and/or the Company/ Subsidiary Company/ Holding Company (as the case may be) is disruptive or detrimental to the functioning and/ or reputation of the Company/ Holding Company/ Subsidiary Company;
- 2.6 **Closing Date** shall have the same meaning assigned to it as in Clause 4.2;
- 2.7 **Company** means TVS Supply Chain Solutions Limited, a company incorporated under the provisions of the Indian Companies Act 1956 and having its registered office at 10, Jawahar Road, Chokkikuam, Madurai – 625 002, Tamil Nadu, India.
- 2.8 **Corporate Action** means one of the following events:
- 2.8.1 rights / bonus issue;
 - 2.8.2 reorganisation of the Shares;
 - 2.8.3 restructuring of the share capital of the Company;
 - 2.8.4 Other reorganization of the Company in which the Shares are converted into or exchanged for:
 - (a) a different class of securities of the Company, or
 - (b) any securities of any other issuer, or
 - (c) cash, or
 - (d) other property;
 - 2.8.5 Sale, lease or exchange of all or substantially whole of the assets / undertaking of the Company to any other company or entity;
 - 2.8.6 Bankruptcy proceedings against the Company;

- 2.8.7 Adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;
- 2.8.8 Adoption by the shareholders of the Company of a scheme of merger or demerger of the Company; and
- 2.8.9 Any other corporate action as designated by the Company;
- 2.9 **Director** means a member of the Board of the Company;
- 2.10 **Effective Date** shall have the same meaning assigned to it as in Clause 4.1;
- 2.11 **Eligible Employee** means an Employee as selected by the Nomination and Remuneration Committee, for the purpose of Granting Options under this Plan;
- 2.12 **Employee** means:
 - 2.12.1 an employee as designated by the Company, who is exclusively working in India or outside India; or
 - 2.12.2 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
 - 2.12.3 an employee as defined in clause 2.12.1 and Clause 2.12.2 of a Subsidiary or Associate Company or of a Holding Company, in India or outside India;
 but does not include:
 - (a) an employee who is a promoter or a person belonging to the Promoter Group of the Company;
 - (b) a director who either himself or through his relative or through any body-corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company.
- 2.13 **Exercise** means submission of Exercise Letter by the Eligible Employee for allotment of Shares, in respect of the Vested Options accompanied by the Exercise Price within the Exercise Period;
- 2.14 **Exercise Date** means the date on which the Eligible Employee elects to Exercise the Options;
- 2.15 **Exercise Letter** shall mean letter as prescribed by the Nomination and Remuneration Committee for the purpose of Exercising the Options along with a cheque / demand draft or any other mode of payment of Exercise Price for every Option that is being Exercised;
- 2.16 **Exercise Period** means the period as provided in the Letter of Grant or such other period as may be intimated by the Nomination and Remuneration Committee, from time to time, within which the Eligible Employee may elect to Exercise the Vested Options;
- 2.17 **Exercise Price** means the price payable by the Eligible Employee for the Exercise of each Option Granted under the Plan for the allotment of one Share and shall be equivalent to INR 1;
- 2.18 **Grant** means grant of Options. The terms Granted and Granting shall be construed accordingly;

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- 2.19 **Grant Date** means the date on which the Grant in favour of the Eligible Employee is approved by the Nomination and Remuneration Committee / the Company;
- 2.20 **Holding Company** in reference to the Company, shall have the same meaning ascribed to it in the Companies Act, 2013;
- 2.21 **“INR”** means Indian Rupee;
- 2.22 **Letter of Grant** shall contain the terms and conditions specific to the Options Granted to the Eligible Employee. The Letter of Grant shall be subject to the provisions of the Plan;
- 2.23 **Long Leave** means permission granted to the Employee to be absent from work for a period beyond fifteen days but not more than 45 days or such other period as the Company/ Subsidiary Company/ Holding Company may determine in its sole and absolute discretion;
- 2.24 **Nomination and Remuneration Committee** means the ‘Nomination and Remuneration Committee’ set up by the Company under the Section 178 of the Companies Act 2013;
- 2.25 **Nominee** means:
- 2.25.1 an individual appointed by the Eligible Employee by submitting a letter in the form specified by the Nomination and Remuneration Committee in this regard, which may be revoked or changed any time but before the Exercise of Options;
- 2.25.2 if no such nomination has been made in accordance with 2.25.1 above, or if the individual nomination is not in existence, then Nominee shall mean:
- (a) spouse of the Option Holder;
- (b) children of the Option Holder;
- (c) if the Option Holder is unmarried at the time of death or Permanent Disability, then the following persons in priority: (i) parents; (ii) siblings or next of kin;
- 2.26 **Option** means the right, without any obligation, granted to the Eligible Employee to subscribe to Shares upon such terms and conditions as may be specified in the Plan. One Option shall entitle the Eligible Employee to one Share;
- 2.27 **Option Holder** means an Eligible Employee who has been Granted Options and has been issued a Letter of Grant and agrees to abide by the terms and conditions of this Plan as well as the Letter of Grant;
- 2.28 **Permanent Disability** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Holder 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 based on a medical certificate from an expert identified by the Board;
- 2.29 **Person** means any natural person, firm, company, governmental authority, joint venture, partnership, association or other entity (whether or not having separate legal personality);
- 2.30 **Promoter** in reference to the Company, shall have the same meaning assigned to it under the SEBI (SBEB&SE) Regulations;

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- 2.31 **Promoter Group** in reference to the Company, shall have the same meaning assigned to it under the SEBI (SBEB&SE) Regulations;
- 2.32 **Plan** means the TVS Supply Chain Solutions Employee Stock Option Plan 2021, as set out herein and shall include any modification and variations thereof;
- 2.33 **Recognized Stock Exchange** shall have the same meaning assigned to it under the SEBI (SBEB&SE) Regulations;
- 2.34 **Sabbatical Leave** means paid or unpaid leave granted by the Company and/or its Subsidiary Company / Holding Company to the Employees to be absent from work but still be employed with the Company and/or Subsidiary Company / Holding Company, as the case may be;
- 2.35 **SEBI** means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992;
- 2.36 **SEBI (SBEB&SE) Regulations** means the SEBI (Share Base Employee Benefits and Sweat Equity) Regulations, 2021, and shall include any statutory amendments and modifications thereto;
- 2.37 **Share** means the equity share of the Company;
- 2.38 **Shareholder** means a person who is registered as a holder of Share/s in the register of shareholders maintained by the Company;
- 2.39 **Subsidiary** in reference to the Company, shall have the same meaning ascribed to it in the Companies Act, 2013;
- 2.40 **Unvested Option** means an Option granted, in respect of which the relevant vesting conditions have not been satisfied and as such, the Option Holder has not become eligible to Exercise the Option.
- 2.41 **Vesting** means the process of fulfilment of the criteria and conditions enumerated in the Plan and / or Letter of Grant by an Option Holder in order to be eligible to Exercise the Options;
- 2.42 **Vesting Criteria** means the criteria and/or conditions upon the completion/achievement/satisfaction of which the Option Holder becomes eligible to Exercise the Options
- 2.43 **Vesting Date** in relation to an Option, means the date on which the Option has Vested;
- 2.44 **Vested Option** means an Option granted, in respect of which the relevant vesting conditions have been satisfied and the Option Holder has become eligible to Exercise the Option; and
- 2.45 **Vesting Period** means the period from the Grant Date till the Vesting Date.

3. INTERPRETATION

- 3.1 In this Plan, unless the contrary intention appears:
- 3.1.1 the Clause headings are for ease of reference only and shall not be relevant to interpretation;
- 3.1.2 the singular includes the plural and vice versa;

- 3.1.3 any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders;
- 3.1.4 a reference to a Clause or a Sub-Clause, unless otherwise specified, is a reference to a Clause or Sub-Clause, as the case may be, of this Plan; and
- 3.1.5 References in this Plan to statutory provisions shall be construed as references to those provisions as modified or re-enacted from time to time (whether before or after the date of this Plan) and to any subordinate legislation made under such provisions and shall include references to any repealed statutory provision which has been so re-enacted (whether with or without modification).

4. APPLICABILITY AND TERM

- 4.1 The Plan applies only to Eligible Employees. This Plan shall become effective from the date of approval of the Plan by the Shareholders ("**Effective Date**").
- 4.2 The Plan shall continue to be in force until the expiry of 10 (ten) years from the Effective Date ("**Closing Date**"). Options under the Plan can be granted till the Closing Date and all Options granted till this date shall remain live till they are Vested, lapsed, or otherwise cancelled in accordance with the provisions of the Plan. **Provided however**, the Plan can be terminated before the Closing Date on a date on which all the Options available for issuance under the Plan have been issued and Exercised or have lapsed and the Nomination and Remuneration Committee does not intend to re-issue the lapsed Options or the Nomination and Remuneration Committee in its absolute discretion decides to terminate the Plan before the Closing Date. The term Closing Date shall therefore be construed accordingly.

5. SCOPE AND ELIGIBILITY; OPTIONS/SHARES SUBJECT TO THE PLAN

- 5.1 The maximum aggregate number of Options that may be granted and thereby the issuance of Shares under the Plan shall not exceed 36,00,000 (Thirty Six Lakh) Shares as on the Effective Date ("**Plan Pool**"), on such terms and conditions, as is approved by the Shareholders of the Company.
- 5.2 In case of a Share split or any other Corporate Action (including consolidation of Shares, buyback of Shares, bonus issue etc) where the face value of the Shares is reduced, the Plan Pool shall stand modified accordingly.
- 5.3 The Nomination and Remuneration Committee shall determine the Grant in its absolute discretion, taking into consideration such factors but not limited to Eligible Employee's performance appraisal, seniority, period of service, role of the Eligible Employee, the present and potential contribution to the growth of the Company. Thereafter, from time to time, the Nomination and Remuneration Committee may grant Options to one or more Eligible Employee/s.
- 5.4 If the Options expires or becomes not exercisable without having been Exercised in full, the Shares which were subject to such Options, shall become available for future Grant under the Plan unless the Plan stands terminated pursuant to Clause 4 of the Plan.
- 5.5 Where the Shares are allotted to Option Holder upon Exercise under the Plan, the Plan Pool will stand reduced to the extent of such Shares.

6. IMPLEMENTATION

- 6.1 The Plan shall be implemented as per the provisions hereunder and Applicable Law.
- 6.2 All the actions required to be effected pursuant to the Plan will be undertaken by the Nomination and Remuneration Committee.

7. ADMINISTRATION

- 7.1 The Plan shall be administered by Nomination and Remuneration Committee. All questions of interpretation of the Plan or any Option shall be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the Plan or such Option(s).
- 7.2 The Nomination and Remuneration Committee shall in accordance with this Plan and Applicable Law determine the following:
 - 7.2.1 determine the Eligible Employees to become the Option Holders;
 - 7.2.2 determine the Exercise Price of the Options;
 - 7.2.3 determine the performance parameters for Grant and/or Vesting of Options to an Eligible Employee;
 - 7.2.4 determine the Vesting and/or lock-in-period of the Grant made to any Option Holder and/or any conditions subject to which such Vesting may take place;
 - 7.2.5 assess the performance of an Eligible Employee for Granting of the Options;
 - 7.2.6 determine the criteria for Vesting of Options;
 - 7.2.7 determine the number of Options to be Granted, to each Eligible Employee and in the aggregate, and the times at which such Grants shall be made;
 - 7.2.8 lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Action in accordance SEBI (SBEB&SE) Regulations;
 - 7.2.9 specify the method which the Company shall use to value its Options;
 - 7.2.10 provide for the right of an Option Holder to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period;
 - 7.2.11 lay down the procedure for cashless Exercise of Options, if any;
 - 7.2.12 provide for the Grant, Vesting and Exercise of Options in case of Option Holders who have been seconded to any other company by the Company;
 - 7.2.13 such other matters in respect of which the Nomination and Remuneration Committee is required to formulate terms and conditions under Applicable Law.
- 7.3 In the event of any clarifications being required on the interpretation or application of the Plan, the same shall be referred to the Nomination and Remuneration Committee. The decision of

the Nomination and Remuneration Committee shall be final and binding on the Employees in this regard.

- 7.4 With regard to the matters specifically not provided for in this Plan or any other documents that may be issued in connection with the Options, the Nomination and Remuneration Committee shall have an absolute discretion to decide such matters in the manner deemed fit by them in the best interests of the Employees and the Company as may be permissible under the Applicable Law, rules and regulations for the time being in force. The decision of the Nomination and Remuneration Committee shall be final and binding on the Employees and the Option Holders.
- 7.5 Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with this Plan shall be referred to the Nomination and Remuneration Committee and shall be determined by it from time to time. All such determination / decision / interpretation by the Nomination and Remuneration Committee shall be final and binding on all the Employees / Option Holders affected thereby.

8. GENERAL RISKS

Participation in this Plan shall not be construed as any guarantee of return on Shares allotted upon Exercise of Option.

9. GRANT OF OPTIONS

- 9.1 The Nomination and Remuneration Committee may make Grants to one or more Eligible Employee(s), which shall include recurring Grants to the same Eligible Employee in accordance with the terms and conditions of the Plan.
- 9.2 The Nomination and Remuneration Committee can make a Grant to any Eligible Employee in any financial year, which is equal to or exceeding 1% (one percent) of the issued capital of the Company (excluding outstanding warrants and conversions), at the time of making such Grant provided the Shareholders have approved this via a separate resolution.
- 9.3 The Nomination and Remuneration Committee shall determine the Vesting Criteria / Vesting Period and Exercise Period of the Options granted under the Plan.
- 9.4 Options Granted to an Eligible Employee shall be evidenced by a Letter of Grant which shall contain such details and terms and conditions as may be required by the Nomination and Remuneration Committee including the number of Options Granted, the Vesting Criteria, Vesting Period, Exercise Period and the other terms and conditions thereto.
- 9.5 In case the provisions of Applicable Law restrict/prohibit the issue of Shares at a discount to its par value, the Exercise Price shall not be less than the amount as prescribed under such law.
- 9.6 The Nomination and Remuneration Committee shall make necessary disclosures as per Regulation 16(2) of the SEBI (SBEB&SE) Regulations to the Eligible Employees to whom Grant is being made.
- 9.7 In the event, an Eligible Employee is a nominee of an institution nominated by such institution as its representative on the Board, then such Eligible Employee shall comply with the disclosure requirement as provided under the Explanation to Regulation 4 of SEBI (SBEB&SE) Regulation.

10. VESTING

- 10.1 Subject to Clause 16 of the Plan, the vesting of Options Granted to an Option Holder shall Vest equally within a period of 4 (four) years as follows provided the condition mentioned alongside is fulfilled:

TRANCHE	VESTING PERIOD (SUBJECT TO THE CONDITION MENTIONED ALONGSIDE)	VESTING CONDITION
Tranche - I	25% (twenty five percent) of the Options Granted will vest on the first anniversary of the Grant Date	The Shares are listed on a Recognized Stock Exchange <u>and</u> the market capitalization of the Company (based on the closing price of the Shares on such Recognized Stock Exchange, as on such date of listing) is equal to or beyond INR 8,500 Crore (Indian Rupees Eight Thousand Five Hundred Crores) (" Vesting Condition ") ¹
Tranche - II	25% (twenty five percent) of the Options Granted will vest on the second anniversary of the Grant Date	
Tranche - III	25% (twenty five percent) of the Options Granted will vest on the third anniversary of the Grant Date	
Tranche - IV	25% (twenty five percent) of the Options Granted will vest on the fourth anniversary of the Grant Date	

It is hereby clarified that the Vesting Condition should be met during the Vesting Period. Thus, if the Vesting Condition is met on or prior to the fourth anniversary of the Grant Date, then all the Options shall be vested and eligible for Exercise. Further, if the Vesting Condition is met on second anniversary of the Grant Date, then Tranche I and Tranche II of the Options shall be considered vested and Tranche III and IV of the Options shall vest as per the vesting schedule. Alternatively, if the Vesting Condition is not met until the fourth anniversary of the Grant Date, then all the Options shall lapse and be cancelled forthwith with immediate effect.

Provided that the Nomination and the Remuneration Committee, in its sole and absolute discretion, may determine such other Vesting Criteria, in variance and / or in addition to the Vesting Criteria as mentioned in Clause 10.1 above, including such conditions (such as any performance-based conditions having regard to the expertise, achievement or expected achievement of key performance indicators by the prospective Option Holder, the terms of employment of the prospective Option Holder etc) as maybe deemed fit and which shall be communicated to the Option Holder under the Letter of Grant.

- 10.2 Notwithstanding anything to the contrary, the Vesting Period will be minimum of such time period as may be prescribed under the Applicable Law including but not limited to SEBI (SBEB&SE) Regulations.

¹ Pursuant to a special resolution passed at the extraordinary general meeting held on 12 April 2023, the market capitalisation amount has been revised from INR 10,000 crore (India Rupees Ten Thousand Crores) to INR 8,500 crore (Indian Rupees Eight Thousand Five Hundred Crores).

10.3 If an Option Holder is on a Long Leave or a Sabbatical Leave, then the days, during which the said Option Holder was on such Long Leave/Sabbatical Leave, will not be included in determining whether the said Option Holder has satisfied the Vesting Period and/or the Vesting Criteria as laid down in its Letter of Grant.

10.4 Subject to Clause 16 of the Plan:

10.4.1 the Unvested Options shall vest with the Option Holder as per the Vesting Period and Condition mentioned in Clause 10.1 and / or the Vesting Criteria as mentioned in the Letter of Grant given to the Eligible Employee; and

10.4.2 the Vested Options shall entitle the Option Holder to Exercise the Vested Options and apply for the Shares at the Exercise Price within the Exercise Period.

11. EXERCISE OF OPTIONS

11.1 The Option Holder may exercise the Vested Options within the Exercise Period. In the event the Option Holder fails to Exercise his Vested Options within the Exercise Period, then such Vested Options shall lapse and revert to the Plan Pool. The Company and/or the Nomination and Remuneration Committee will not have any obligation towards such Option Holder with respect to such lapsed Options. No further communication shall be made to the Option Holder in this regard.

11.2 To Exercise the Options, the Option Holder must submit an Exercise Letter to the Nomination and Remuneration Committee accompanied by the Exercise Price which shall be paid either by or through, as the case may be:

11.2.1 cheque drawn on the Company; or

11.2.2 online to the Company's bank account as may be intimated from time to time; or

11.2.3 the Option Holder's authority to the Company to deduct such amount from his salary due and payable; or

11.2.4 such other mode as may be approved by the Nomination and Remuneration Committee from time to time to the extent permitted by Applicable Law; or

11.2.5 a combination of any of the abovementioned methods.

11.3 Notwithstanding the foregoing provisions of this Clause 11 and subject to Applicable Law, in case of cessation of employment, any Exercise of the Options by such Option Holder shall be in accordance with the provisions of Clause 16 of this Plan.

11.4 Upon Exercise of Options, the Nomination and Remuneration Committee shall cause, within a reasonable period of time, to allot such number of Shares underlying the Vested Options as are Exercised, to the Option Holder, Nominee or former Employee, as the case may be.

12. RIGHTS AS A SHAREHOLDER

No Option Holders shall have a right to receive any dividend or vote at any general meeting of the Company or in any manner enjoy the benefits of a Shareholder in respect of Options Granted or Vested in the Option Holder.

13. AUTHORITY TO VARY/MODIFY TERMS

- 13.1 Subject to Applicable Law, the Nomination and Remuneration Committee shall, at its absolute discretion, have the right to vary / modify / amend the Plan, in such manner and at such time or times as it may deem fit, subject however that any such modification / amendment shall not be detrimental to the interests of the Option Holders.
- 13.2 Subject to Applicable Law, the Nomination and Remuneration Committee may modify Options granted to Employees who are foreign nationals or employed outside India or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.
- 13.3 Such right to vary / modify / amend this Plan as and when required will be subject as always to SEBI (SBEB&SE) Regulations. No member of the Nomination and Remuneration Committee shall be primarily liable for any decision or action taken in good faith with respect to this Plan.

14. TRANSFERABILITY OF OPTIONS

The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Option Holder except under the circumstances provided under Clause 17.7 herein. Any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted herein shall be void and unenforceable against the Company.

15. CORPORATE ACTION

- 15.1 Subject to Applicable Law, in the event of change in control of the Company or Corporate Action, a Grant made under the Plan shall be subject to adjustment by the Nomination and Remuneration Committee at its discretion including but not limited to the number of Options or Vesting criteria or Exercise Price or cancellation of Options (whether Vested or Unvested) in lieu of such consideration as may be determined by the Nomination and Remuneration Committee in its sole discretion. The decision of the Nomination and Remuneration Committee, in this regard, shall be final and binding.

16. TERMINATION OF EMPLOYMENT

- 16.1 In the event of termination of employment of the Option Holder due to his death or Permanent Disability, all the Unvested Options shall Vest on the date of termination of such employment. The Option Holder or his Nominee may Exercise the Vested Options in accordance with Clause 11 of the Plan within such period as may be stipulated by the Nomination and Remuneration Committee, in this regard, in the Letter of Grant. Any Options which are not Exercised within the said period, shall lapse, and be cancelled and revert to the Plan Pool. The Company shall not have any further obligations towards the Option Holder or the Nominee in respect of such lapsed Options.
- 16.2 In the event of termination of employment of the Option Holder due to Cause or resignation by the Option Holder due to Cause, all Options whether, Vested or Unvested, shall lapse, and be cancelled on the date of termination of employment of the Option Holder, and shall revert to the Plan Pool. The Company shall not have any further obligations towards the Option Holder in respect of such lapsed Options.
- 16.3 In the event of termination of employment of the Option Holder due to resignation, all Unvested Options, shall lapse, and be cancelled on the date of termination of employment of the Option Holder, and shall revert to the Plan Pool. The Option Holder may Exercise the Vested Options

in accordance with Clause 11 of the Plan within such period as may be stipulated by the Nomination and Remuneration Committee, in this regard, in the Letter of Grant. Any Options which are not Exercised within the said period, shall lapse, and be cancelled and revert to the Plan Pool. The Company shall not have any further obligations towards the Option Holder in respect of such lapsed Options.

- 16.4 In the event of termination of employment of the Option Holder due to the reasons other than those mentioned in Clauses 16.1, 16.2 and 16.3, the Nomination and Remuneration Committee shall at its sole and absolute discretion, determine the treatment of the Unvested Options, the outstanding Vested Options, and the Exercise Period for Exercise of such Options. All such Options which are not Exercised within the Exercise Period as determined by the Nomination and Remuneration Committee shall lapse, and be cancelled upon the termination of employment / expiry of the Exercise Period for such Options. Such lapsed Options shall revert to the Plan Pool and the Company shall not have any further obligations towards the Option Holder in respect of such lapsed Options.

17. MISCELLANEOUS

17.1 No right to a Grant:

Neither the adoption of the Plan nor any action of the Nomination and Remuneration Committee shall be deemed to give an Eligible Employee any right to be Granted any Options to acquire Shares or to any other rights hereunder except as may be evidenced by Letter of Grant signed and counter signed by the Company and the Eligible Employee, respectively.

17.2 No employment rights conferred:

Nothing contained in the Plan or in any Grant made hereunder shall:

17.2.1 confer upon any Option Holder any right with respect to continuation of employment or engagement with the Company; or

17.2.2 interfere in any way with the right of the Company to terminate Employment or services of any Option Holder at any time.

17.3 Tax deduction/ recovery:

The Company shall have the right to deduct / recover all taxes payable either by itself or by the Option Holder, in connection with all Grants / Options / Shares under this Plan, by way of deduction at source from salary and, in addition, to require any payments necessary to enable it to satisfy such obligations. The Option Holder will also, as a condition of the Plan, authorize the Company or its Nominee to sell such number of Shares, as would be necessary, to discharge the obligation in the respect of such taxes and appropriate the proceeds thereof on behalf of the Option Holder.

17.4 No restriction on Corporate Action:

The existence of the Plan and the Grants made hereunder shall not in any way affect the right or the power of the Board or the Shareholders to make or authorise any 'Corporate Action', strategic sale of substantial stake by the Shareholders including any issue of Shares, debt or other securities having any priority or preference with respect to the Shares under the Plan or the rights thereof, whether or not such action would have an adverse effect on the Plan or any Grant made under the Plan. No Employee or other person shall have any claim against the

Company or the new company/ new entity that is formed or takes over a part of whole of the business of the Company because of such action.

17.5 Dissolution or liquidation:

In the event of a dissolution or liquidation, the Nomination and Remuneration Committee shall inform each Option Holder, as soon as practicable/ permissible under Applicable Law, of the same and communicate regarding the treatment of Options held by the Option Holder.

17.6 Confidentiality:

The Option Holder shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Plan, Grant, Letter of Grant or any connected matter except where such disclosure is made to a third-party professional (viz., lawyer, chartered accountant etc.) for seeking legal or financial advice. Any violation may result in cancellation of Options, Vested or Unvested.

17.7 Nominee:

A Nominee shall alone be entitled to exercise the rights of the Option Holder concerned in the event of death/ Permanent Disability of the Option Holder, subject to the terms and conditions of the Plan. It is hereby clarified that any Shares received by the Nominee in the event of Permanent Disablement of the Option Holder, then the Nominee shall hold such Shares in trust for the Option Holder.

17.8 Surrender of Option:

An Option Holder may, by way of written request, tender all or any of its Options for surrender. The Nomination and Remuneration Committee on receipt of such request, may consider it and cancel such surrendered Options vis-à-vis the Option Holder. The Company and the Nomination and Remuneration Committee shall have no obligation towards such surrendered and cancelled Options.

17.9 Insider trading:

The Option Holder shall ensure that there is no violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and prevention of Fraudulent and/ or Unfair Trade Practices regulations as may be notified by SEBI and/ or the Stock Exchange on which the Shares are listed. The Option Holder shall keep the Company or the Board or such other Committees of the Board, fully indemnified in respect of any liability arising for violation of the above provisions.

17.10 New Employee Stock Option Plans:

Nothing contained in the Plan shall be construed to prevent the Company from implementing another Employee Incentives Plan, directly or through any trust settled by Company, which is deemed by the Company to be appropriate or in its best interest, provided such other action would not have any adverse impact on the Plan or any Grant made under the Plan. No Option Holder or other Person shall have any claim against the Company and/or Trust as a result of such action.

17.11 Notice and correspondence:

Any notice required to be given by, or any correspondence from, an Option Holder or the Nominee or the former Employee to the Company may be given at the following address:

Attention: The Chairman, Nomination and Remuneration Committee
Address: TVS Supply Chain Solutions Limited, 10, Jawahar Road, Chokkikulam,
Madurai – 625 002, Tamil Nadu, India

Any notice required to be given to the Option Holder or the Nominee or the former Employee, as the case may be, by the Company may be given at the address of the Option Holder/ Nominee/ former Employee, as maintained by the Company in its records. If there is any change of address for service, it shall be the sole responsibility of the addressee (Company or the Option Holder or the Nominee or the former Employee, as the case may be) to update the other party (Company or the Option Holder or the Nominee or the former Employee, as the case may be) about the change in address for service. However, if there is no change or update of address, service on either address shall remain effective and it shall be sufficient discharge of obligation of service, intimation, notice or correspondence.

17.12 Disputes

All disputes arising out of or in connection with the Plan or the Grant shall be referred to the Nomination and Remuneration Committee for mutual resolution by the parties.

17.13 Governing law and jurisdiction

17.13.1 The terms and conditions of the Plan shall be governed by and construed in accordance with the Applicable Law.

17.13.2 The competent Courts of India, where the Company's registered office is situated, shall have jurisdiction in respect of all matters, disputes, or differences arising in relation to or out of this Plan.

17.14 No Discrimination

Nothing in this Plan may be deemed to be discriminating amongst the Employees or the Eligible Employees on the grounds of gender, age, nationality, race, ethnicity, language or otherwise. The Plan in terms of coverage of the Eligible Employees is in consonance with prevailing management practices and remuneration principles and is not discriminating against any section of Employees.

17.15 Accounting and Disclosure Policies

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein or such other disclosure requirements as may be prescribed in furtherance of Regulation 15 of SEBI (SBEB&SE) Regulations.

17.16 This Plan will operate inter-alia, under Companies Act 2013 and SEBI (SBEB&SE) Regulations, provisions not specifically provided herein but set out in in such aforesaid laws.