

**STRICTLY PRIVATE & CONFIDENTIAL****June 28, 2023****Mr. Omkar Patil**

Emp ID: 3960636

Department: Information Technology

Location: Mumbai

Dear Omkar,

**Regarding : Long Term Incentive Plan 2023**

Many Congratulations!

You have delivered a great performance and your contribution to the Company has been significant. We hope that you will continue to play a key role in Company's growth and are pleased to inform you, that you have been included in Long Term Incentive Plan 2023. This 2023 plan will be valid over 3 years.

We are focused on being a leader in the General Insurance Industry & your performance and contribution are extremely important. We hope you will keep inspiring others around you to deliver their best every day. We continue to stay committed to deliver better products and services to our customers as we go about building a vibrant future for the organization & creating better tomorrows for our customers.

Under the Plan 2023, you shall be entitled to (subject to conditions of the Plan 2023, as per document referred in Annexure I) an amount of **Rs. 631,542 (Pool)** which shall be paid as follows -

Anniversary of the Grant Date	Percentage Payable	Performance Year	Eligible amount as per attached document
1st year (June 2024)	25%	Basis performance of FY 2023-24	Rs. 157,886
2nd year (June 2025)	35%	Basis performance of FY 2024-25	Rs. 221,040
3rd year (June 2026)	40%	Basis performance of FY 2025-26	Rs. 252,617

The payment of these amounts would be in June each year subject to completion of Performance Appraisal process for the year.

In the event of termination of your employment irrespective of whether you have received any payment or not, there would be no further entitlement on your part to receive anything from the Company.

Kindly note that the payment is at the absolute discretion of the Company and the same may be withheld without assigning any reasons whatsoever at any point of time.

I wish to remind you that as with other matters concerning compensation, your inclusion in the Plan is confidential and it should not be discussed with other employees of the Company. Any breach of this confidentiality requirement will result in immediate removal of your participation in the Plan and a loss of all accrued and future benefits.

You will need to maintain a minimum rating of 3 (Meets Expectations) for each year of service while you are in the plan. Any outstanding balance will be forfeited if the employee is under:

- a. Disciplinary action
- b. Servicing notice
- c. Receives performance ratings 4 (developmental performance) or 5 (unsatisfactory performance)

Congratulations once again on the inclusion into the Long-Term Incentive Plan. You are a crucial member of this family and I look forward to your contribution in the years to come to take our organization to greater heights.

Yours sincerely,



**Neelesh Garg**  
**Managing Director & CEO**

Enclosure (Annexure I) : Long Term Incentive Plan 2023

## Annexure I

### Long Term Incentive Plan 2022 (LTIP – 2023)

Long Term Incentive Plan (LTIP) has been introduced with the objective to attract, motivate and retain key resources over long term by fostering a culture of ownership of organisation goals for these key resources. This will also help employees to enhance their earnings by achieving the organisations goals.

This plan would be called Long Term Incentive Plan 2023 (LTIP – 2023) granted basis the performance for the Financial Year 2022-23 and would be effective from June 2023. The duration of the plan would be for Three Years and the vesting of the long-term incentive (incentive) would happen in the following manner:

Payment Schedule	Eligible Amount (as per attached document)	Evaluation Period for Performance Year
1 <sup>st</sup> year (June 2024)	25% of LTI Plan Amount	Basis performance of FY 2023-24
2 <sup>nd</sup> year (June 2025)	35% of LTI Plan Amount	Basis performance of FY 2024-25
3 <sup>rd</sup> year (June 2026)	40% of LTI Plan Amount	Basis performance of FY 2025-26

#### Eligibility for payment of the vested amount:

- The Performance rating of the eligible employee should be 1,2 or 3 in the respective performance years to be entitled for the payout and they should meet other terms and conditions of the Plan.
- Employee should be on the rolls of the company and should not be serving notice on the date of payout.
- Actual incentive payout instalment will be based on Individual Performance (rating 1, 2 or 3 only), subject to threshold Company KPI score of 75% against Annual Operating plan for that Performance year (as calculated for the purpose of Bonus payout).
- While payout is done in the month of June subject to performance assessment by the Board, for the purpose of calculation, April-March cycle would be considered.

#### Illustration

Scenario 1	R1	R2	R3	R4/R5
Individual Performance	Yes	Yes	Yes	No
Company Performance $\geq$ 75%	Yes	Yes	Yes	Yes
Eligibility based on above mentioned two criteria	Yes	Yes	Yes	No

Scenario 2	R1	R2	R3	R4/R5
Individual Performance	Yes	Yes	Yes	No
Company Performance $<$ 75%	No	No	No	No
Eligibility based on above mentioned two criteria	No	No	No	No

## Rules for Exit Employees:

The general rule is that the incentive would lapse when the employee ceases to be in employment of the Organisation. However, the general rule will not apply in case of -

- Death: In case of death of employee, while on employment, outstanding balance amount will be paid to the nominee on a pro-rata basis based on the length of time served with the Company during the Vesting Period
- Total and permanent disability: Outstanding balance will be paid to the employee
- Retirement: In case an employee retires from the Company's services the employee will get the benefit on a pro-rata basis based on the length of time served with the Company during the Vesting Period

*Transfer of Employment:* An employee who is transferred outside the Company within the Tata Group or AIG will be eligible for a prorated payment based upon the number of months worked in the vesting period.

*Leaves of Absence & Other Breaks:* An employee who goes on a Company approved leave of absence during the Performance Period will be eligible for a pro-rated Payment provided that the Employee has not been out on a leave of absence totaling more than thirty percent (30%) of the work days in the Completion Period.

## Clawback

In case of a fraud or governance issue under the Code of Conduct of the Organisation, which occurred during the performance period, if already paid will be clawed back and the future vesting will be cancelled.

In case any employee resigns within 1 year of the pay-out of the vested amount, the paid amount shall be recovered from the employee.

## Plan Termination / Amendment

The Plan may be amended, modified, suspended or terminated, with or without prior notification to the employees, at any time in the sole discretion of the Organisation. No benefits of any kind will be paid or payable on or after the date of the termination of the plan.

These payments would be governed under the Income Tax rules as applicable.

*Effect on Benefit Plans:* The award will not be deemed as salary and will not be included in calculating any employment related benefits and will not be considered an acquired right.