

Term Sheet for Issuance of Subordinated Debt

1. Security Name	TALIC Subordinated Debt 2032
2. Issuer	Tata AIA Life Insurance Company Limited
3. Type of Instrument	Non-Convertible Debentures
4. Nature of Instrument	<p>Unsecured, subordinated, fully paid-up, unlisted, unrated, redeemable non-convertible debentures in the nature of 'Subordinated Debt' ("Debentures") as per the Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015, as amended from time to time ("IRDAI Regulations").</p> <p>Debenture Holders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of Issuer or participate in management of Issuer.</p>
5. Seniority	<p>The claims of the Debenture holders shall be superior to the claims of the investors in preference shares and equity shares in that order but shall be subordinated to the claims of the policyholders and all other creditors.</p> <p>The Debentures proposed to be issued shall neither be secured nor covered by a guarantee of the Issuer or other arrangements that legally or economically enhance the seniority of the claims as against the claims of the Issuer's policyholders and all other creditors.</p>
6. Mode of Issue	Private placement and in Demat form
7. Eligible Investors	<p>The following categories of investors when specifically approached are eligible to apply for this Issue:</p> <ul style="list-style-type: none"> i) Indian promoters as defined in IRDAI (Registration of Indian insurance companies) Regulations, 2000; ii) Indian investors as defined in IRDAI (Registration of Indian Insurance companies) Regulations, 2000; iii) Foreign investors as defined in Indian Insurance Companies (Foreign Investment) Rules, 2015 <p>Provided the subscription by the foreign investors shall be subject to compliance with the FEMA Regulations issued in this regard; and</p> <ul style="list-style-type: none"> iv) Any other person as may be approved by the IRDAI.
8. Mode of Trading	Demat Form
9. Debenture Trustee	Axis Trustee Services Limited
10. Registrar	Link Intime India Private Limited
11. Rating of Instrument	Unrated

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Tata AIA Life Insurance Company Ltd.

Registered & Corporate Address: 14th Floor, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai 400013.
Board Tel no.: +91 22 6649 8000 Website: www.tataaia.com (IRDAI Regn. No. 110 • CIN: U66010MH2000PLC128403).

12. Issue Size	Up to Rs.488,00,00,000/- (Rupees Four Hundred and Eighty Eight Crores only), to be issued in one or more tranches.
13. Option to retain oversubscription	Not Applicable
14. Objects of the Issue	To augment Issuer's capital under "Other Forms of Capital" to strengthen its solvency ratio.
15. Details of the utilization of the Proceeds	The proceeds of the Issue are proposed to be used towards strengthening the Issuer's solvency by way of augmenting its capital under 'Other Forms of Capital' to facilitate new business growth of the Issuer without dilution of the Issuer's equity capital.
16. Coupon Rate	7.10% p.a
17. Step Up/ Step Down Coupon Rate	Not Applicable
18. Coupon Payment Frequency	Coupon shall be payable annually from the Deemed Date of Allotment until the Maturity Date/ Redemption Date (subject to any Call Option being exercised).
19. Coupon Payment Conditions	<p>Provided however that the following terms and conditions shall be applicable in relation to any Coupon payment to be made by the Issuer pursuant to this Issue:</p> <ul style="list-style-type: none"> i) the Coupon on the Debentures shall be charged to the profit and loss account of the Issuer and will be paid annually; ii) the Issuer shall not be liable to pay the Coupon for any financial year, if the payment of such Coupon is prohibited in terms of IRDAI Regulations including, without limitation, if the Issuer's solvency is below the minimum regulatory requirements prescribed by IRDAI or the impact of paying such Coupon would result in the solvency of the Issuer, falling below or remaining below minimum regulatory requirements prescribed by IRDAI; iii) prior approval of IRDAI shall be required for payment of Coupon where the impact of payment of Coupon may result in net loss or increase in the net loss of the Issuer; iv) the Coupon shall not be cumulative i.e., the Coupon missed in a year will not be paid in future years. However, the Issuer may be allowed to pay the Coupon amount due and remaining unpaid in the subsequent financial years, provided that the same is paid in compliance with the provisions of the IRDAI Regulations. It may be noted that the Issuer may pay compound interest on such Coupon amounts which may be paid in the subsequent financial years as stated hereinabove. <p>It is hereby explicitly clarified that any non-payment of Coupon on the Debentures or the payment of any Coupon in the subsequent financial</p>

	years or the cancellation of servicing of the Debentures by the Issuer in the manner set out hereinabove and as may be prescribed under IRDAI Regulations shall not be construed to be an Event of Default or be construed to be a breach of the Transaction Documents of any manner and no restriction or obligation on the Issuer of any kind whatsoever, including any obligation to pay additional interest, shall be imposed or be deemed to have been imposed on the Issuer upon the occurrence of such an event except that the Issuer shall not distribute any dividend to its equity shareholders. Payment of Coupon shall be subject to IRDAI Regulations after the allotment of the Debentures.
20. Coupon Payment Dates	7.10% p.a.
21. Coupon Type	Fixed
22. Coupon Reset Process	Not Applicable
23. Day Count Basis	Actual/Actual Basis Coupon payable on the Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 days as the case may be.
24. Tenor	10 (Ten) years from the Deemed Date of Allotment, subject to the exercise of any Call Option by the Issuer.
25. Redemption Date/Maturity Date	The Call Option Redemption Date or the Scheduled Redemption Date, as the context may require.
26. Call Option Date	The date falling at the end of 5 (Five) years from the Deemed Date of Allotment and the date falling annually thereafter.
27. Scheduled Redemption Date	The date falling at the end of 10 (Ten) years from the Deemed Date of Allotment.
28. Redemption Amount	₹ 10,00,000 (Rupees Ten Lakh) per Debenture along with the accrued Coupon payable on the Redemption Date. No incentives shall be payable at the time of redemption.
29. Redemption Premium/Discount	Not Applicable
30. Issue Price	Issued at par
31. Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
32. Put Option Date	Not Applicable
33. Put Option Price	Not Applicable
34. Put Option Notification Time	Not Applicable
35. Call Option Dates	The Issuer shall have the right (but not the obligation) to exercise the call option in respect of the Debentures at the end of 5 (Five) years from the Deemed Date of Allotment, and annually thereafter (each a 'Call Option"). The Call Option may be exercised by the Issuer only with the prior approval of IRDAI in accordance with the regulations of the IRDAI.

36. Call Option Price	Redemption of any Debenture will be at par (₹ 10,00,000 (Rupees Ten Lakh) per Debenture. No incentives shall be paid on exercise of the Call Option or for any early redemption.
37. Call Option Notification Time	<p>In the event that the Issuer is desirous of exercising the Call Option, the Issuer shall obtain the prior approval of IRDAI and provide notice to the Debenture Holders (with a copy to marked to the Debenture Trustee) in relation to exercise of the Call Option at least 15 (Fifteen) calendar days prior to the relevant Call Option Date or such other timeline as required under applicable law.</p> <p>Upon issuance of the notice, the Issuer shall redeem the Debentures identified in the notice on the relevant Call Option Date. Provided however that as per Regulation 10 of the IRDAI Regulations, IRDAI may allow the Issuer to replace the called instrument with equal or better-quality instrument. All principal amounts plus Coupon accrued up to (but excluding) the exercise date of the Call Option shall be payable by the Issuer.</p>
38. Face Value	₹ 10,00,000 (Rupees Ten Lakh) per Debenture
39. Minimum Application size and in multiples of Debt Security thereafter	Minimum size of 1 (One) Debenture and in multiple of 1 (One) Debenture thereafter.
40. Issue Timing	<p>Issue/ Bid Opening Date: 2nd March, 2022</p> <p>Closing Date: 2nd March, 2022</p> <p>Pay in Date: 9th March, 2022</p> <p>Deemed Date of Allotment: 9th March, 2022</p>
41. Issuance mode of the Instrument	Dematerialised only
42. Trading mode of the Instrument	Not Applicable
43. Settlement mode of the Instrument	For Coupon and Redemption Amount payable by the Issuer to any Debenture Holder pursuant to the terms of the Transaction Documents, electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder shall be the mode of settlement.
44. Depositories	National Securities Depository Limited / Central Depository Services (India) Limited
45. Business Day Convention	If any of the Coupon Payment Date(s) (other than on Redemption Date(s)) fall on a day which is not a Business Day, or any day on which Real Time Gross Settlement (RTGS) or high value clearing does not take place in Mumbai, for any reason whatsoever, the payment due on such date may be made on the immediately succeeding Business Day however: (i) the dates of future Coupon Payment Dates would be as per the schedule originally stipulated at the time of issuing the Debentures. In other words, the subsequent Coupon schedule would not be disturbed merely because one Coupon Payment Date in respect of one particular Coupon payment has been postponed

	<p>earlier because of it having fallen on a day which is not a Business Day; and (ii) the amount of Coupon to be paid would be computed as per the schedule originally stipulated at the time of issuing the Debenture.</p> <p>if the Redemption Date of the Debentures (also being the last Coupon Payment Date) falls on a day that is not a Business Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Business Day, which becomes the new redemption date, along with interest accrued on the Debentures until but excluding the date of such payment.</p>
46. Record Date	<p>15 (fifteen) days prior to each Coupon Payment Date, Call Option Payment Date, or Redemption Date.</p> <p>If the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.</p>
47. All covenants of the issue (including side letters, accelerated payment clause, etc.)	The applicable covenants to the Issue shall be based on the Transaction Documents.
48. Description regarding Security including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed	The Debentures proposed to be issued shall neither be secured nor covered by a guarantee of the Issuer or other arrangements that legally or economically enhance the seniority of the claims as against the claims of the Issuer's policyholders and creditors.
49. Transaction Documents	<ul style="list-style-type: none"> i) Debenture Trustee Agreement; ii) Debenture Trust Deed; iii) Any other document that may be designated as a Transaction Document mutually by the Issuer and the Debenture Trustee and as per relevant applicable guidelines.
50. Conditions Subsequent to the Subscription of Debentures	<p>Customary to transaction of this nature and as more particularly detailed in the Transaction Documents.</p> <ul style="list-style-type: none"> i) Filing of the relevant documents required to be filed with the Registrar of Companies, inter alia, the return of allotment

	<p>within the timelines specified under the Act and the rules made thereunder;</p> <p>ii) Credit of the Debentures in the demat account(s) of the Eligible Investors;</p> <p>iii) Filing of the relevant documents and reports with IRDAI and such other Authority as may be required in terms of the IRDAI Regulations or under such other applicable laws as amended from time to time.</p>
<p>51. Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</p>	<p>Customary to financing of such nature including but not limited to the following:</p> <ol style="list-style-type: none"> 1. Non-payment of any amount due and payable under the Debentures as per the Transaction Documents; 2. Breach of any covenants (including but not limited to financial covenants); 3. Breach of any Representations and Warranties; 4. The Transaction Documents in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer; 5. The Issuer ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so and the same has not been remedied or rectified as per the Cure Period; 6. Any event has occurred which, in the sole discretion of the Debenture Trustee/Debenture Holder, is likely to have a Material Adverse Effect; <p>It is hereby expressly clarified that any event of non-payment of Coupon by the Issuer pursuant to the provisions of the IRDAI Regulations shall not be construed to be an Event of Default.</p> <p>Consequences of Event of Default</p> <p>Upon the occurrence of any Event of Default, the Issuer shall, have 30 (thirty) days from the date of receipt of notice received from the Debenture Trustee with regard to occurrence of Default and to rectify such Default (“Cure Period”). For avoidance of doubt, it is hereby clarified that the Debenture Trustee or the Debenture Holders shall not take any action under Clause 6.2 or under any Applicable Law for occurrence of any Event of Default (save as except any Default under 6.1(a)), till expiry of the Cure Period</p> <p>In the event that the Issuer fails to remedy the Event of Default within the Cure Period, then the Debenture Holder shall be entitled, <i>inter alia</i>, to:</p> <ol style="list-style-type: none"> 1. Accelerate the redemption of Debentures and payment of all outstanding amount in respect thereof, in accordance with Applicable Law;

	<p>2. exercise such other rights which may be available to the Debenture Trustee/ Debenture Holders under the Transaction Documents or applicable law;</p> <p>3. make necessary applications to IRDAI and if required, to such other Regulator and/or Courts and/or NCLT and/or quasi-judicial authority as may be applicable for the commencement of corporate insolvency resolution process of the Issuer under the Insolvency and Bankruptcy Code, 2016.</p> <p>The above is indicative and shall be finalized at the time of documentation.</p>														
52. Provisions related to Cross Default Clause	Not applicable														
53. Representations, Warranties and Covenants of the Issuer	Representations, Warranties and Covenants as set out in the relevant Transaction Documents if any.														
54. Governing Law & Jurisdiction	<p>The Transaction Documents and the Debentures for the Issue shall be governed by Indian laws.</p> <p>The courts and tribunals in Mumbai shall have the jurisdiction in relation to all matters arising out of this transaction.</p> <p>.</p>														
55. Grant of Loans against the Instruments	Issuer shall not permit the grant any loan or any credit facility against the pledging or encumbrance of the Debentures issued by it.														
56. Classification of Subordinated Debt for Available Capital for computation of Solvency	<p>1. The instruments issued net of hair cut as specified in point number 2 below shall be counted towards “Available Solvency Margin” of the Issuer.</p> <p>2. The instruments shall be subjected to a progressive hair cut for the purpose of computation of “Available Solvency Margin” on straight-line basis in the final 5 (Five) years prior to maturity. Accordingly, as these Debentures approach maturity, the outstanding balances are to be reckoned for inclusion in capital as indicated in the table below. The amount arrived at after making the below adjustment alone shall be eligible for inclusion in “Available Solvency Margin”.</p> <table border="1" data-bbox="587 1680 1410 1939"> <thead> <tr> <th>Years to Maturity</th> <th>Included in capital</th> </tr> </thead> <tbody> <tr> <td>5 years or more</td> <td>100%</td> </tr> <tr> <td>4 years and less than 5 years</td> <td>80%</td> </tr> <tr> <td>3 years and less than 4 years</td> <td>60%</td> </tr> <tr> <td>2 years and less than 3 years</td> <td>40%</td> </tr> <tr> <td>1 years and less than 2 years</td> <td>20%</td> </tr> <tr> <td>Less than 1 year</td> <td>0%</td> </tr> </tbody> </table>	Years to Maturity	Included in capital	5 years or more	100%	4 years and less than 5 years	80%	3 years and less than 4 years	60%	2 years and less than 3 years	40%	1 years and less than 2 years	20%	Less than 1 year	0%
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	<p>Provided that such hair cut shall be applied at the end of each financial quarter based on the "years to maturity".</p> <p>The Debentures shall be classified under the heading "Borrowings" in the relevant schedule of the balance sheet of the Issuer.</p>
57. Compliance to other Regulations	<p>The Debentures shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital, regulations issued by IRDAI, SEBI, the Government of India, FEMA regulations, RBI and/or other authorities, as applicable and as amended from time to time and other documents that may be executed in respect of the Debentures.</p> <p>The Debentures shall also be subject to the provisions of the Companies Act and rules and the Memorandum and the Articles of Association of the Issuer.</p>
58. Approvals	<p>The Issuer agrees to comply with all applicable rules and regulations in respect of the transaction. The Issuer will be responsible for obtaining all necessary authorization and / or approvals internal, external regulatory, statutory or otherwise.</p>

For Tata AIA Life Insurance Company Limited

S. Swaminathan
Company Secretary

Dated : 26th February, 2022
Place : Mumbai