

Exhibit -1

**Arvind Infrastructure Limited (AIL)
Employee Stock Option Plan 2016**

ARVIND INFRASTRUCTURE LIMITED
AIL EMPLOYEE STOCK OPTION PLAN 2016

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1 Name of the Scheme

This Scheme shall be termed as **AIL Employee Stock Option Plan 2016** ("Scheme or ESOP 2016"). The Scheme has been approved by Nomination and Remuneration Committee/Board pursuant to special resolutions passed on 23rd September 2016 at the General Meeting of the Company.

The approval of shareholders by way of separate resolutions passed on 23rd September 2016 has been obtained by the Company in order to grant Options to Employees of the Company and to Employees of the Subsidiary Companies of the Company.

This document sets out the terms and conditions of the Scheme.

2 Purpose of the Scheme

Arvind Infrastructure Limited ("Company" or "AIL"), a company incorporated under the Companies Act, 1956 and having its registered office at 24, Government Servant's Society, Near Municipal Market, Off C.G. Road, Navrangpura, Ahmedabad – 380009 has structured this Scheme for its Employees. The objectives of this Scheme are as under:

- a) Motivate and retain talented employees;
- b) Attract new talent;
- c) Encourage employees to align with growth of the Company; and
- d) Reward employee performance.

Further, the Scheme will be implemented, for and on behalf of and at the request of the Subsidiary Companies (as defined under the Companies Act, 2013) of AIL, for the employees of the Subsidiary Companies of AIL.

3 Definitions

In this Scheme, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against:

- 3.1 "Abandonment" means discontinuation of employment by a Grantee without giving notice or without serving the notice period;
- 3.2 "Acceptance Form" shall mean the form that the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Scheme;
- 3.3 "Applicable Laws" shall mean laws of India to the extent applicable and as amended, modified and substituted from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with the laws of India, without regard to the application of the conflicts of laws' provisions thereof;
- 3.4 "Beneficiary" or "Nominee" means the person or persons, who is/are entitled by the will or probate of the Participant to receive the benefits specified in the Scheme, the legal heirs of the Participant, if the Participant dies intestate and includes the Participant's executors or administrator, if no other Beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the Nomination Form in the exercise of any powers conferred under the Scheme or any other agreements forming part thereof;
- 3.5 "Board" or "Committee" or "Nomination and Remuneration Committee" means the Board of Directors of the Company and includes the Nomination and Remuneration Committee and any other Committee(s) or person, which the Board may constitute to exercise the powers under this Scheme;
- 3.6 "Company" shall mean Arvind Infrastructure Limited, a company incorporated and registered under the Companies Act, 1956 having its registered office at 24, Government Servant's Society, Near Municipal Market, Off C.G. Road, Navrangpura, Ahmedabad – 380009;



- 3.7 "Corporate Action" shall have meaning as understood under the SEBI Regulations;
- 3.8 "Director" means a director appointed to the Board of a company;
- 3.9 "Eligible Employee" for the purpose of this Scheme means the identified Employee(s) as per Clause 5;
- 3.10 "Employee" means
- a) a permanent employee of the Company who has been working in India or outside India; or
 - b) a director of the Company, whether a whole-time director or not but excluding an independent director or
 - c) an employee as defined in clauses (a) or (b) of a subsidiary of the Company, whether in India or outside India;
- but does not include-
- (i) an employee who is a promoter or a person belonging to the promoter group of the Company; or
 - (ii) a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company;
- 3.11 "Exercise" means making of an application by the Participant/Beneficiary to the Company for issue of Shares, against Vested Options in pursuance of the Scheme on payment of Exercise Price;
- 3.12 "Exercise Date" means the date on which the Participant/Beneficiary exercises his Vested Options and in case of partial Exercise, shall mean each date on which the Participant/Beneficiary exercises part of his Vested Options;
- 3.13 "Exercise Period" means the time period after Vesting within which the Participant/Beneficiary should Exercise his right to apply for Shares against the Vested Option in pursuance of the Scheme;
- 3.14 "Exercise Price" means the price, if any, payable by the Employee for exercising the Vested Option granted to him in pursuance of the Scheme;
- 3.15 "General Meeting" means a General Meeting (including an Extraordinary General Meeting) of the Shareholders of the Company held in accordance with the Articles of Association of the Company and the Applicable Laws;
- 3.16 "Grant" means the process by which the Company issues Options under any of the Scheme;
- 3.17 "Grant Date" means the date on which the Options are granted to the Participant by the Company/Board/Committee under the Scheme;
- 3.18 "Grant Letter" means the letter by which Grant of an Option is communicated to the Grantee;
- 3.19 "Grantee" shall mean an Eligible Employee pursuant to Clause 5 below, who at the time of Grant of the Option is eligible to participate under the Scheme;
- 3.20 "Independent Director" shall have the meaning as defined under the Companies Act, 2013;
- 3.21 "Option" means the Option given to an Employee which gives him a right to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price;
- 3.22 "Participant" means a Grantee who accepts the Grant from the Company to participate in this Scheme pursuant to Clause 9 below;
- 3.23 "Permanent Disability" means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board based on a certificate of a medical expert identified by the Board;
- 3.24 "Scheme" shall mean the AIL Employee Stock Option Plan 2016 under which the Company grants the Options to the Grantees, and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time;



- 3.25 "Promoter" means promoter as defined under the Companies Act, 2013;
- 3.26 "Promoter Group" means promoter group as defined under the SEBI Regulations;
- 3.27 "Recognized Stock Exchange" means recognized stock exchange as defined under Securities Contracts (Regulation) Act, 1956;
- 3.28 "Relative" means relative defined under the Companies Act 2013;
- 3.29 "Retirement" means retirement as per the rules of the Company.
- 3.30 "SEBI Regulations" refers to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by the Securities and Exchange Board of India ('SEBI') under the SEBI Act, 1992 as amended from time to time or such other rules or regulations, as may be applicable from time to time;
- 3.31 "Scheme" means the Employee Stock Option Plan of the Company including any amendments thereof notified as per Clause 4 below proposing to provide share based benefits to its Employees, which may be implemented and administered directly by the Company in accordance with the Scheme;
- 3.32 "Share" means an equity share of the Company of face value of Rs. 10 each;
- 3.33 "Shareholder" means the registered holder of a Share in the share capital of the Company;
- 3.34 "Subsidiary Companies" shall have the meaning as defined under the Companies Act, 2013;
- 3.35 "Termination Date" means the date of termination of employment of the Participant/Grantee with the Company;
- 3.36 "Unvested Option" means an Option, which is not a Vested Option;
- 3.37 "Vested Option" means an Option, which has Vested in pursuance of Clause 10 below with the Participant/Beneficiary and has thereby become exercisable;
- 3.38 "Vesting" means the process by which the Participant/Beneficiary is entitled to apply for Shares against the Option granted to him in pursuance of Clause 8 below;
- 3.39 "Vesting Date" means the respective dates on and from which the Option Vests with the Participant/Beneficiary and thereby becomes exercisable under the Scheme;
- 3.40 "Vesting Period" means the period during which the vesting of Option granted under Scheme takes place;
- 3.41 "Construction"
- a) Clause reference is to the clauses of this Scheme.
 - b) The headings/subheadings/titles/subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the clauses, which shall be interpreted solely in light of the contents thereof.
 - c) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
 - d) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
 - e) The term 'including' shall mean 'including without limitation', unless otherwise specified.
 - f) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.
 - g) Unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting singularity shall include the plural and vice versa.



4 Notification of the Scheme

- 4.1 The Company/Board/Committee shall notify the Scheme.
- 4.2 The Board/Committee may subject to a special resolution passed at a General Meeting at any time and from time to time, add, amend, alter or revoke the Scheme.

5 Eligibility

- 5.1 The eligibility to participate in the Scheme is subject to such criteria as may be decided by the Board/Committee at its own discretion, including, but not limited to the date of joining of the Employee with the Company, grade of the Employee, performance evaluation, period of service with the Company, criticality or any other criteria, as the Committee determines.
- 5.2 The Scheme shall be applicable to the Company and any successor Company thereof, Subsidiary Companies and may be granted to the Employees and Directors of the Company, of the Subsidiary Companies, as determined by the Board/Committee at its own discretion.
- Provided that in case of any Grant of Option to the Employees of Subsidiary Companies, prior approval of the Shareholders shall be obtained as per provisions of the Applicable Laws
- 5.3 Based on the eligibility criteria as described in Clause 5.1 & 5.2 above, the Board/Committee will decide the Employees eligible for Grant of Options under the Scheme and accordingly, the Company/Committee would Grant the Options to the identified Employees under the Scheme.
- 5.4 The appraisal process for determining the eligibility of the employees will be specified by the Board/Committee, and will be based on criteria such as criticality of the role, designation, length of service, past performance record, future potential of the employee and / or such other criteria that may be determined by the Board, at its sole discretion.

6 Administration of this Scheme

- 6.1 This Scheme shall be administered by the Committee working under the powers delegated by the Board. The Board/Committee is authorized to interpret the Scheme, to establish, amend and rescind any rules and regulations relating to the Scheme, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme. The Board/Committee may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of the Scheme and take any action which the Board is entitled to take. The acts of a majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Scheme. No member of the Committee may act upon matters under the Scheme specifically relating to such member.
- 6.2 The Board/Committee shall in accordance with this Scheme and Applicable Laws determine the following:
- (a) The Eligibility Criteria for grant of Employee Stock Options to the Employees
 - (b) The quantum of Employee Stock Options to be granted under the Scheme per Employee subject to ceiling specified in Sub-clause 8.1;
 - (c) Terms and conditions in respect of grant to, vest in and exercise of Options by the Employees and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under –the Scheme;



- (d) The procedure for making a fair and reasonable adjustment in case of corporate actions such as rights issues, bonus issues, merger, sale of division, demerger and others;
 - (e) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Options in case of employees who are on long leave;
 - (f) Deciding on disallowance of options in case of misconduct on the part of Option Grantee.
 - (g) The procedure for Vesting in case of termination of employment, if required;
 - (h) The procedure for cashless exercise of Employee Stock Options, if required; and
 - (i) Approve forms, writings and/or agreements for use in pursuance of the Scheme.
- 6.3 Any decision of the Board/Committee in the interpretation and administration of this Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Employee, Grantee, Participant/Nominee and their Beneficiaries and successors). The Company/Board/Committee shall not be liable for any action or determination made in good faith with respect to the Scheme or any Option granted thereunder.
- 6.4 The Committee shall, interalia, formulate the detailed terms and conditions of the Scheme which shall include the provisions to the extent it is not in violation of the Companies Act 2013 and SEBI Regulations.
- 6.5 The Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 and SEBI (Share Based Employee Benefits) Regulations, 2014 by the Company and its Employees, as applicable.

7 Share Pool

- 7.1 Subject to Clause 19 below, the maximum number of Shares that may be issued pursuant to Exercise of Options granted to the Participants under this Scheme shall not exceed 15,00,000 (in words Fifteen Lakh) Shares.
- 7.2 Notwithstanding the foregoing provisions of Clause 7.1, Shares with respect to which an Option is granted under the Scheme that remain unexercised at the expiration, forfeited or lapsed shall be added back to the number of Options that are pending to be granted. The Company may, at their discretion Grant such Options within the overall limit determined in accordance with the Scheme.
- 7.3 In case of a share-split where the face value of the shares is reduced below Rs. 10/- or in case of consolidation of shares, the maximum number of Options available for being granted under the Scheme as mentioned in Clause 7.1 shall stand modified accordingly, so as to ensure that the cumulative paid-up value (No. of shares X Face value per share) of the total Shares arising out of Exercise of Options that can be issued remains unchanged.

8 Grant of Options

- 8.1 The Company/Committee/Board may offer the Options to a Grantee in accordance with the terms and conditions of the Scheme for the time being in force. The Committee will decide the number of Options to be granted to each Eligible Employee. The Employees are not required to pay any amount at the time of grants made to them.
- 8.2 During any one year, no Employee shall be granted Options equal to or exceeding 1% of the issued share



capital excluding outstanding warrants and conversions (as understood under SEBI Regulations) of the Company at the time of Grant and in aggregate shall not exceed 2,58,243 (Two Lacs Fifty Eight Thousand Two Hundred Forty Three) Options unless an approval from the Shareholders is taken by way of special resolution in a General Meeting. Further, the Company has proposed to grant to Kamal Singal, Managing Director & CEO, such number of options, in one year, which is equal to or exceeding 1% of the issued and paid up capital (excluding outstanding warrants and conversions) of the Company as on the date of the grant. Such determination shall be made by the Board, depending on the criteria and parameters it may decide.

- 8.3 Subject to the overall limit prescribed in Clause 7.1 above, the Options may be granted in one or more tranches.
- 8.4 Subject to Clause 19, each Option will entitle the Participant to one Share of the Company.
- 8.5 The Grant of the Options by the Board/Committee to the Grantee shall be made in writing and communicated to the Grantee by a Grant Letter. Such a Grant shall state the number of Options Granted and the Exercise Price.
- 8.6 An offer made under this Clause is personal to the Grantee and cannot be transferred in any manner whatsoever.

9 Method of acceptance

- 9.1 The method of acceptance of the Grant made pursuant to Clause 8 above and under the Scheme, shall be determined in accordance with the Scheme.
- 9.2 Upon receipt of a duly completed Acceptance Form from the Grantee in respect of the Grant, the Grantee will become a Participant. The Committee may then issue to the Participant a statement, in such form as it deems appropriate, showing the number of Options to which the Participant is entitled pursuant to the acceptance of such Grant and the number of Shares for which the Participant will be entitled to subscribe pursuant to such Grant.
- 9.3 Subject to the terms contained herein, the acceptance in accordance with this Clause, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.

10 Vesting of Options

- 10.1 Subject to Clause 10.4 and Clause 13 below, the Unvested Options shall vest with the Participant in accordance with the Scheme.
- 10.2 Upon vesting, the Vested Options shall be exercisable in accordance with the terms and conditions set forth under the Scheme.
- 10.3 Notwithstanding anything mentioned in the Scheme and subject to Clause 13 below, Options which are not vested shall automatically lapse after the Vesting Date and the contract referred to in Clause 9.3 above shall automatically be terminated without surviving any rights/liabilities for any party.
- 10.4 Subject to the Companies (Share Capital and Debentures) Rules, 2014 as applicable and any other applicable law, and unless the Committee decides otherwise, no Options shall vest in a Participant, if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any



business which competes directly or indirectly with the whole or any part of the business carried on by the Group or any activity related to the business carried on by the Group. Decision of the Board/Committee/Company in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/business carried out by the Participant pursuant to his duties as an Employee or Director of the Company and shall not apply to the Nominee of the Participant.

- 10.5 Neither the Participant nor any person entitled to exercise Participant's rights in the event of death of the Participant, shall be entitled to claim or receive any dividend and right to vote in respect of the Options granted/vested, till such time as the Shares are transferred pursuant to a valid Exercise of the Options in favor of such Participant or such person.
- 10.6 The options granted shall vest so long as an employee continues to be in the employment of the Company or the Subsidiary Companies as the case may be, as per applicable laws. The Board/Committee may, at its discretion, lay down certain performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which options granted would vest subject to the minimum vesting period of 1 (one) year.
- 10.7 The vesting dates in respect of the options granted under the Scheme may vary from employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee.
- 10.8 Options granted under the Scheme would vest subject to maximum period of 5 (five) years from the date of grant of such options.
- 10.9 The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document(s) given to the Option Grantee at the time of grant of Options.

11 Exercise Price

- 11.1 The options will be granted at an exercise price equal to the latest available closing price, prior to the date of the meeting of the Board in which the options are granted, on the stock exchange on which the equity shares of the Company are listed, or such other price as the Nomination and Remuneration Committee may decide at its discretion and as per applicable laws. If the equity shares of the Company are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered for this purpose.

12 Exercise of Options/Allotment of Shares

- 12.1 Subject to Clause 13.5 below, the Participant alone can Exercise the Vested Options within the Exercise Period. The exercise period shall commence from the date of vesting of the options and would expire not later than five years from the date of vesting. The exact exercise period, exercise windows and related process shall be determined by the Board/Committee, subject to a maximum exercise period of five years from the date of vesting of options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Board/Committee from time to time.
- 12.2 The options will be exercisable by the employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Company/Committee/Board from time to time.
- 12.3 Subject to Clause 10 above and Clause 13.5 below, the Participant alone can Exercise the Vested Options. Subject to Clause 12.4 and Clause 12.10 below, such Exercise may be of all Vested Options or part of the Vested Options.



- 12.4 No Vested Option shall be exercisable in its fractional form.
- 12.5 Exercise of the Vested Options shall take place at the time and place designated by the Company/Committee/Board and by executing such documents as may be required under the Applicable Laws or by the Company/Committee to pass a valid title of the relevant Shares to the Participant/Nominee, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.
- 12.6 A Vested Option shall be deemed to be validly exercised only when the Company/Committee/Board or any other person ratified by the Company/Committee/Board receives written and signed notice of Exercise ('Exercise Form') from the Participant/Beneficiary and, subject to Clause 11 above, the full payment of the Exercise Price, taxes (wherever arising) and any other sums due to the Company as per the Scheme in respect of Exercise of the Option ('Aggregate Exercise Price').
- 12.7 The Aggregate Exercise Price shall be paid in full upon the Exercise of the Vested Options. Payment must be made by one of the following methods:
- i) Cheque or demand draft issued in the name of the Board/Company as the Committee may specify; or
 - ii) Remittance directly from the Participant's bank to the bank account of the Board/Company (wire transfer) as the Committee may specify; or
 - iii) Any combination of such methods of payment or any other method acceptable to the Board/Committee at its sole discretion.
- 12.8 At the time of allotment of Shares pursuant to a valid Exercise, the Participant/Nominee will be required to sign such papers as may be considered necessary by the Board/Committee to lawfully execute/enforce various provisions of the Scheme.
- 12.9 The Company/Committee/Board shall endeavor to ensure that the process of allotment of Shares to the Participant who has validly exercised his Vested Options is completed within 60 days from the time of receiving the Exercise Form by the Committee.
- 12.10 Subject to the Companies (Share Capital and Debentures) Rules, 2014 and SEBI Regulations, and unless the Committee decides otherwise, no Participant shall be entitled to make an Exercise, if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Group or any activity related to the business carried on by the Group. Decision of the Board/Committee/Company in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/business carried out by the Participant pursuant to his duties as an Employee or Director of the Company and shall not apply to the Nominee of the Participant.
- 12.11 Only upon allotment of the Shares, the Participants/Nominees shall become members of the Company. The Shares to be allotted shall rank *pari-passu* in all respects with the outstanding Shares of the Company.
- 12.12 Cashless Exercise of the Options shall be as determined by the Board/Committee.
- 12.13 Under the Scheme, the Company will issue fresh equity shares as and when the Vested Options are exercised by the Option Grantees.

13 Termination of Employment

13.1 On Resignation/ Termination

In case the service of the Participant with the Company is terminated (including but not limited to resignation by the employee) for any reason other than specified in Clauses 13.2 to 13.7, all Unvested Options with the Participant on the Termination Date shall lapse and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/liability for any party, unless the Board/Committee decides otherwise. Subject to Clause 12.4 and Clause 12.10 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 12 above, unless the Board/Committee decides otherwise.



13.2 Termination with Cause

In case the termination of employment of a Participant with the Company is with Cause (i.e. negligence, fraud, professional misconduct, moral turpitude, etc. as per Company's policy), all Options (Vested as well as Unvested) shall stand automatically forfeited on the Termination Date and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/liability for any party.

13.3 On Retirement/Superannuation/Early Retirement approved by the Company

In case the services of the Participant with the Company are terminated due to the Participant's Retirement on attaining the superannuation age or early retirement after approval from the Company, all the Unvested Options granted to him shall immediately stand cancelled and forfeited and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/liability for any party, unless the Board/Committee decides otherwise. Clause 12.4 and Clause 12.10 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 12 above, unless the Board/Committee decides otherwise.

13.4 On Permanent disability of Participant

In case the Employee suffers a permanent incapacity while in employment all the Options granted to him till such date of permanent incapacitation and lying Unvested, shall Vest in him on that day subject to Clause 12 above. Subject to Clause 12.4 and Clause 12.10 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 12 above unless the Board/Committee decides otherwise.

13.5 On death of a Participant

In the event of death of a Participant while in employment with the Company, all the Options granted to him till such date and lying Unvested shall Vest in the Beneficiary of the deceased Participant on that day. Subject to Clauses 12.4 and Clause 12.10 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 12 above unless the Board/Committee decides otherwise.

13.6 On Abandonment

In case the termination of employment of a Participant with the Company is due to Abandonment, all Options (Vested as well as Unvested) shall stand automatically forfeited on the Termination Date and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/liability for any party. The Board/ Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.

13.7 Long leave

For the purposes of this Scheme, the employment of the Option Grantee shall not be deemed to terminate if the Option Grantee takes any sick leave or any other bona fide leave of absence, appropriately approved, for 90 (ninety) days or less. In the event of the leave of absence in excess of 90 (ninety) days, such leave of absence will not be treated as continuous employment/service by an Option Grantee for the purpose of the Scheme. In such an event, the Options (Vested as well as Unvested) will vest and be exercisable as per the discretion of the Board/Committee.

13.8 The rights granted to an Option Grantee upon the grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with any present or past member of the group or associated company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

14 **Notices and correspondence**

14.1 Any notice required to be given by a Participant/Nominee to the Company/Committee/Board or any correspondence to be made between a Participant/Nominee and the Company/Committee/Board may be given or made to the Company/Committee/Board at the registered/corporate office of the Company or at a place as may be notified by the Company/Committee in writing.



- 14.2 Any notice, required to be given by the Company/Committee/Board to a Participant/Nominee or any correspondence to be made between the Company/Committee/Board and a Participant/Nominee shall be given or made by the Company/Committee on behalf of the Company at the address provided by the Participant in his Acceptance Form or Nomination Form.

15 Lock-in

- 15.1 The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise.

Provided that the transferability of the Shares shall be subject to the restriction for such period in terms of the Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading.

16 Beneficiary/Nominee designation

- 16.1 Each Participant under the Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Participant under the Scheme is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Participant, shall be in a form prescribed by the Company and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

17 Non-transferability of Options

- 17.1 Save as provided in Clause 13.1 above, the Options granted herein, are personal to the Participant. The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Participant/Nominee otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

18 Corporate Actions

- 18.1 In case of Corporate Action, the Board shall ensure while taking into consideration the global best practices in this area including the procedures followed by the derivative markets in India and abroad, that the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Participants. The decision of the Board on whether such action is necessary and the extent of such action by the Board shall be final and binding. If a change of control shall occur, the Board may make such adjustments at its discretion as are necessary or appropriate in light of the change of control (including, without limitation, the substitution of stock other than stock of the Company as the stock optioned hereunder, and the acceleration of the exercisability of the Options), provided that the Board determines that such adjustments do not have a substantial adverse economic impact on the Participant as determined at the time of the adjustments.
- 18.2 The Board/Committee shall in accordance with the Applicable Laws determine the procedure for making a fair and reasonable adjustment to the ESOPs entitlement of an Option Grantee in case of a stock split, stock consolidation, rights issue, bonus issue, merger, demerger, amalgamation, sale of division and any other form of corporate restructuring, if any.
- 18.3 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee, except that the entitlement to the number of options and the Exercise Price will be adjusted, as determined by the Board/Committee. Only if the employee stock options are vested and exercised and the Option Grantee is a valid holder of the shares of the Company, the Option Grantee would be entitled for bonus or rights options as Option holder of the Company.



19 Withholding Tax or any other Sums

- 19.1 All Options granted under this Scheme shall be subject to all applicable taxes, withholding tax and/or any levy and/or any contribution and/or any sums due (by whatever name it is called) arising due to participation in the Scheme (in or outside India), if any, and the Company/Committee/Board, accordingly, may withhold such taxes and/or levy and/or contribution and/or payment in full unless the Company/Committee decides to withhold in part.
- 19.2 Notwithstanding anything contained in the Scheme or any other Clauses of the Scheme, if, on the Grant of the Option and/or the Vesting of Option and/or the Exercise of the Options and/or allotment of the Shares under the Scheme and or at any time while this Scheme is in operation shall be subject to any levy and/or taxes and/or contribution and/or payment (by whatever name called), if any, that is levied on or payable by the Company/Employing entity (in or outside India), such taxes and/or levy and/or contribution and/or payment shall be recovered in full, unless the Company/Committee at its sole discretion decides to recover in part from the Participant.
- 19.3 Notwithstanding anything else contained in this Scheme, no Shares/Sale Proceeds therefrom, as the case may be, shall be issued/allotted/ disbursed to the Participant/Nominee, on Exercise of the Options under the Scheme, unless appropriate levies and/or taxes and/or contributions and/or payments as given in this Clause are recovered in full, unless the Company/Committee at its sole discretion decides to recover only a part of the same from the Participant/Beneficiary.

20 Governing Law

- 20.1 This Scheme and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws of India.
- 20.2 The Participant agrees and acknowledges that the Participant has received and read a copy of the Scheme. The Options are subject to the Scheme. Any term of the Scheme that is contrary to the requirement of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 or any other Applicable Law, including but not limited to the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder shall not apply to the extent it is contrary.
- 20.3 In the event that any term, condition or provision of the Scheme being held to be a violation of any Applicable Law, statute or regulation the same shall be severable from the rest of the Scheme and shall be of no force and effect and the Scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in the Scheme.
- 20.4 In order to comply with regulation of any other country or to avail any tax or other benefits, the Company/Committee/Board may at its sole discretion formulate an addendum to this Scheme for Employees employed in that country and made applicable to such Employees from the date determined by the Company/Committee/Board.

21 Regulatory approvals

- 21.1 The implementation of the Scheme, the Grant of any Option as per terms of the Scheme and the issuance of any Shares as per the Scheme shall be subject to the procurement by the Company and the Participant/Beneficiary of all approvals and permits required by any regulatory authorities having jurisdiction over the Scheme, the Options and the Shares issued pursuant thereto. The Participant/Beneficiary under this Scheme will, if requested by the Company/Committee/Board, provide such assurances and representations to



the Company/Committee/Board, as the Company/Committee/Board may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

- 21.2 The Board shall make all the relevant disclosures in the Director's Report in relation to the Scheme as are required under the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014.
- 21.3 The Company shall follow and confirm to applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/or accounting policies as per the Companies Act, 2013 as applicable.

22 Accounting and Disclosures

- 22.1 The Company shall comply with the disclosure and the accounting policies prescribed as per the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended from time to time), those issued by Institute of Chartered Accountants of India from time to time and those prescribed under the Companies Act, 2013 or any succeeding Act from time to time as may be applicable and decided by the Company.
- 22.2 The Company will adopt the intrinsic value method of valuation of options. Notwithstanding it, the Company may adopt any other method as may be determined by the Board and as may be permitted under the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended from time to time). In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the fair value of the options shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall be disclosed in the Directors' Report.
- 22.3 Further the Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.
- 22.4 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features/Scheme document of the Scheme in a format as prescribed under SEBI (SBEB) Regulations.
- 22.5 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB) Regulations or any other Applicable Laws as in force. The Company will make such further disclosures as are required by applicable laws and accounting standards.

23 Certificate from Auditors

- 23.1 The Board shall at each annual general meeting place before the Shareholders a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI (SBEB) Regulations and in accordance with the resolution of the Company in the general meeting.

24 Jurisdiction

- 24.1 The Courts/National Company Law Tribunal, as the case may be, in Ahmedabad, India shall have jurisdiction



in respect of any and all matters, disputes or differences arising in relation to or out of this Scheme.

- 24.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this Scheme:
- i. in any other court of competent jurisdiction; or
 - ii. Concurrently in more than one jurisdiction.

25 Modification of Scheme

- 25.1 The Board/Committee may, subject to a special resolution passed at a General meeting, if required, at any time and from time to time, revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Grantee/Participant/Beneficiary;
- 25.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee/Participant/Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee/Participant/Beneficiary;
- 25.3 Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee/Participant/Beneficiary separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantee/Participant/Beneficiary; and
- 25.4 Subject to the Clause 26.4, the Company may by special resolution in a General Meeting vary the terms of the Scheme offered pursuant to an earlier resolution of the general body but not yet exercised by the Employee provided such variation is not prejudicial to the interests of the Employees.

26 Tenure

- 26.1 This Scheme shall continue in effect unless terminated by the Company/Committee/Board.
- 26.2 Any such termination of this Scheme shall not affect Options/Shares already Granted and such Options/Shares shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Participant/Beneficiary and the Company/Committee/Board.

27 Severability

- 27.1 If any of the provisions mentioned in this Scheme are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by Applicable Laws.

28 Set-off

- 28.1 It is the Board's / Committee's obligation to convey to the Participant/Nominee that the Shares shall be subject to set-off or counterclaim of amounts owed by the Participant/Nominee to the Board / Committee, to the extent permitted under Applicable Laws.

29 Covenants of the Grantee

- 29.1 The Grantee confirms that:-
- i. the Grantee shall not engage himself/herself in activities that have or will have an adverse impact on the reputation of the Company or its Subsidiary companies.
 - ii. while during employment with the Company or its subsidiary companies or affiliate company, the Grantee shall engage exclusively in the work assigned by the Company or its Subsidiary companies, respectively, and shall



- not take up any independent or individual assignments, whether the same is part time or full time, (in an advisory capacity or otherwise) and whether directly or indirectly.
- iii. the Grantee shall not, directly or indirectly, engage in any activity or have any interest in, or perform any services for any person who is involved in activities which are or shall be (in the sole opinion of the Board) in conflict with the interests of the Company or its Subsidiary Companies.
 - iv. in consideration of the Options granted to the Grantee, as also, opportunities, training and access to new techniques and know-how that has been made available to the Grantee, the Grantee shall also strictly abide by any and all of the terms of the employment agreed by the Grantee.
 - v. the Grantee shall maintain as secret and confidential all Confidential Information and shall not use or divulge or disclose any such Confidential Information except as may be required under any obligation of law (subject to obtaining the consent of the Company or its Subsidiary Companies) or as may be required by the Company or its Subsidiary Companies.
 - vi. the Grantee understands that the Grant of the Option is limited only to the Shares of Arvind Infrastructure Limited, and the Grantee shall have no recourse to the shares of any other company of the Arvind Group, including Arvind Limited, in any manner whatsoever.
 - vii. the Grantee understands that "Confidential Information" means any or all information about the Company or its Subsidiary Companies that satisfies one or more of the following conditions:
 - a) such information which has not been made generally available to the public, save and except for information disclosed to the public with the consent of the Company or its Subsidiary Companies; or
 - b) such information which is critical, in the Company's opinion, to the Company's current or anticipated business or research and development activities or those of a customer or supplier or associate or channel partner of the Company or its Subsidiary Companies and the disclosure of the same would affect their competitiveness; or
 - c) such information which either has been identified as confidential by the Company or its Subsidiary Companies (either orally or in writing) or has been maintained as confidential from outside parties and is recognized as intended for internal disclosures only; or
 - d) such information which either is of a nature that it gives a distinct edge to the Company or its Subsidiary Companies over competition when not shared with the competition, or is likely to give any advantage to the competition or any other organization / person / group of persons when shared with the organization / person / group of persons; or
 - e) such information which is required to be kept confidential by any requirement of law.

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

- f) computer programs, inventions, samples, designs, drawings, machines, tools, photographs, source codes, object codes, methods, concepts, formulas, algorithms, processes, technical specifications, analyses, discoveries, improvements, marketing methods, manufacturing processes, research and development information;
- g) organizational matters, business plan, company policies, sales forecasts, employee and personnel information (including information pertaining to their terms of employment, experience, contact details, appraisals, performance, competencies, specialized skills / expertise, medical information, etc.);
- h) non-public financial information relating to the Company or its Subsidiary Companies including its financial results for any period;
- i) Business plan of the Company or its Subsidiary Companies or including its monthly reports and estimates;
- j) Current and prospective customer lists and information on customers and their employees;



- k) Information relating to existing and potential intellectual property of the Company or its Subsidiary Companies or;
- l) Dividend policy of the Company or its Subsidiary Companies including the intended declaration of dividend;
- m) Issue of shares of the Company or its Subsidiary Companies by way of public offers, rights issues, bonus issue, employee stock options;
- n) Major expansion plan or execution of new projects including information concerning amalgamations, mergers, acquisitions and takeovers being planned or contemplated by the Company or its Subsidiary Companies and information concerning the purchase of major equipment or property and the disposal of any undertakings of the Company or its Subsidiary Companies;
- o) Information relating to the Company or its Subsidiary Companies or regarding acquisition or loss of significant contracts, significant disputes with major suppliers, consumers or any Governmental or regulatory agency;
- p) Any information that may affect the earnings/ profitability of the Company or its Subsidiary Companies;
- q) Any other change in policies, plan or operations of the Company or its Subsidiary Companies.

30 Miscellaneous provisions

- 30.1 No right to a Grant: Neither the adoption of the Scheme, nor any action of the Company/ Committee / Board shall be deemed to give an Employee any right to be granted an Option to acquire Shares or to any other rights hereunder except as may be evidenced by a Grant Letter, and only to the extent of and on the terms and conditions expressly set forth therein, as the case may be.
- 30.2 No employment rights conferred: Nothing contained in the Scheme or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of employment with the Company, or (ii) interfere in any way with the right of the Company to terminate his employment at any time.
- 30.3 Transfer or Deputation: In the event that a Participant who has been granted Options under this Scheme is transferred to a Subsidiary/affiliate companies as defined under the Companies Act, 2013 prior to Vesting or Exercise, the Vesting and/or Exercise as per the terms of Grant shall continue in case of such transferred or deputed Participant even after the transfer or deputation, as may be decided by the Board/Committee.
- 30.4 Adherence to Applicable Laws: The Participant/Nominee shall comply with all Applicable Laws.
- 30.5 This Scheme shall not confer on any person any legal or equitable rights against the Company/Committee/Board directly or indirectly or give rise to any cause of action at law or in equity against the Company/Committee/Board.
- 30.6 The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Company's auditors or any independent financial adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this Scheme.
- 30.7 The Participant shall comply with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003, SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 and SEBI (Share based Employee Benefits) Regulation 2014, to the extent applicable, as well as any code of conduct or such similar policy, procedure or system formulated or adopted by the Board and communicated to the Participant from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of all Vested and Unvested Options as well as subject the Participant to disciplinary action at the discretion of the Company.




- 30.8 The acceptance of the Grant is entirely voluntary and the Company/Committee/Board does not guarantee any return on Shares or Options.
- 30.9 This Scheme constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.
- 30.10 Inability to obtain authority: The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such shares.

31 Confidentiality

- 31.1 The Grantee specifically confirms and covenants to the Company that he is aware that the information regarding his/her ESOP entitlements to this Option Agreement is strictly confidential and that the Option Grantee cannot reveal/share the information with any of his/her peers, colleagues, co-employees or with any employee and/or associate of the Company or its Subsidiary Companies or any other company of the Arvind Group. In case Option Grantee is found in breach of this Confidentiality Undertaking, the Company has an undisputed right to forfeit the Options granted and all Vested and Unvested options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Confidentiality Undertaking shall be final and binding upon the Grantee.

For Arvind Infrastructure Limited


Prakash Makwana
Company Secretary



Place: Ahmedabad
Date: 23rd September, 2016