

AGC NETWORKS LIMITED

EMPLOYEE STOCK OPTION SCHEME – 2015

INDEX

Section No.	Title of the Section	Page No.
PART A	Statement of Risk	1 - 1
PART B	Information about the Company	2 - 2
1.	Title	3 - 3
2.	Authority	3 - 3
3.	Objects	3 - 3
4.	Definitions & Interpretations	3 - 8
5.	Authority & Ceiling	9 - 9
6.	Implementation	9 - 9
7.	Duration of ESOP Scheme 2015	9 - 9
8.	Nomination & Remuneration Committee	10 - 11
9.	Appraisal and Eligibility of an Employee	11 - 11
10.	Awarding of Security	11 - 12
11.	Vesting of Security	12 - 13
12.	Exercise of Security	13 - 15
13.	Terms and Conditions of Securities	15 - 15
14.	Change in Capital Structure or Corporate Action	16 - 17
15.	Amendment or Termination of ESOP Scheme 2015	17 - 17
16.	Others	17 - 21

PART A

STATEMENT OF RISK

Under Statement of Risks, all investments in Shares or options in Shares are subject to risk as the value of shares is subject to market volatility. In addition, the Options are subject to the following risks:

Concentration

The risk arising out of any fall in value of Shares is aggravated as the Participant's holding is concentrated in the shares of a single company.

Illiquidity

The Options cannot be transferred to anybody, and therefore the Participants cannot mitigate their risks by selling the whole or part of their Options before they are exercised. The Shares, pursuant to the Options awarded, vest in the Participants after a minimum period of one year (and such further period as may be determined in accordance with the Scheme) from the date of grant and such Option can only be exercised within the Exercise Windows during the Exercise Period determined in accordance with the Scheme, thus, to that extent, the liquidity in the hands of the Participants is restricted.

Vesting

The Options will lapse if the employment is terminated prior to Vesting, unless otherwise specified under the terms and conditions of the Scheme. Even after the Options are Vested, the unexercised Options may be forfeited if the employment is terminated in the event of the Employee being found to be involved in fraud, misfeasance, gross negligence, breach of trust, breach of the agreement or any conditions specified in the agreement or appointment letter entered or issued under the terms of employment, or his/her performance is found unsatisfactory by the management of the Company or he/she fails to achieve or fulfill the targets as agreed between the management and the employee, or he/she could not prove his/her adherence to all the policies existing in the Company, etc and in such an event the rights under the Security (whether Vested or not) shall lapse.

Leverage

Any change in the value of the Shares can lead to a significantly larger change in the value of the Options as an option amounts to a levered position in a share.



PART B

INFORMATION ABOUT THE COMPANY

Founded more than 28 years ago, AGC Networks Ltd. is a leading Global Technology Solutions Provider. Over the years, AGC has been an unprecedented leader as a Solution Integrator with a differentiated vertical approach providing innovative solutions in the following four quadrants in the ICT domain:

- Unified Communications
- Data Center & Virtualization
- Networking Infrastructure
- Enterprise Applications

With global presence in 12 countries and with a network of offices in India, AGC has 3000+ strong, diverse customer base including Fortune 500 companies. These customers are spread across a broad spectrum of verticals such as Banking, Financial Services and Insurance, Government, PSUs and Defense, Healthcare, Travel and Hospitality, IT / ITes, Manufacturing, Energy and Utilities and SMB Solutions.

AGC has been passionately delivering customized business solutions that help organizations accelerate revenue growth, increase market penetration, optimize operating costs and improve employee productivity, by embedding communication in their business processes.

AGC uses its solution integration capabilities to integrate best of breed products through its key technology alliance partners to provide "End to End" solutions.

Today AGC Networks has grown multifold and is a family of 700+ employees constantly striving to deliver unmatched experience to its valued clientele.

SECTION 1

TITLE

This ESOP Scheme 2015 shall be called the "AGC Networks Employees Stock Option Scheme 2015" (hereinafter referred to as the "ESOP Scheme 2015").

SECTION 2

AUTHORITY

This ESOP Scheme 2015 has been approved by the "Nomination and Remuneration Committee" (hereinafter referred to as "the Committee") and by the Board of Directors of AGC Networks Limited (hereinafter referred to as "the Board") on **12th March, 2015** and approved by members of the Company through a Special Resolution on **21st April, 2015**

The Board / Committee may subject to compliance with the Applicable Laws, at any time modify, change, vary, alter, amend, suspend or terminate the ESOP Scheme 2015

SECTION 3

OBJECTS

The objects of the **AGC Networks Limited – Employees Stock Option Scheme 2015** are:

1. To provide means to enable the Company and its subsidiaries to attract and retain talent in the Company;
2. To motivate the employees of the Company with incentives and reward opportunities and to enable them to participate in the future growth and success of the Company;
3. To achieve sustained growth of the Company and the enhance shareholder value by aligning the interests of the Employees with the long term interests of the Company; and
4. To create a sense of ownership and participation amongst the Employees.
5. To enable Participants to have greater involvement in the existing plans of the Company and provide an opportunity to share in the future growth and profitability of the Company, which should lead to improved employee engagement, motivation and retention.

SECTION 4

DEFINITIONS & INTERPRETATIONS

1) Definitions:

The terms defined in this ESOP Scheme 2015 shall for the purpose of this ESOP Scheme 2015, have the meanings herein specified and terms not defined shall have the meanings as

defined in the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, Companies Act, 2013, SEBI (Issue of capital and Disclosure requirements) regulations, 2009 and the SEBI (Share Based Employee Benefits) Regulations, 2014, or in any Statutory modifications or re-enactments thereof, as the case may be.

In this instrument the following expressions including their grammatical variations and cognate expressions shall, unless repugnant to the context or meaning thereof, have the meaning assigned to them respectively hereunder:

- 4.1 **"Act"** means the Companies Act, 2013 or any statutory modification or re-enactment thereof.
- 4.2 **"Agreement"** means the Employee Stock Option Agreement between the Company and the Security holder evidencing the terms and conditions of an grant of Securities. The Agreement is subject to the conditions of the ESOP Scheme 2015, and may be in form of duly acknowledged letter from both the parties.
- 4.3 **"Applicable Law"** means the legal requirements relating to ESOP Scheme 2015, including, without the limitation Act, SEBI Act, the ESOP Guidelines and all relevant tax, securities, exchange control or corporate laws of India, or of any other relevant jurisdiction or of any stock exchange on which the shares are listed or quoted.
- 4.4 **"Award"** means the date on which Security are awarded/granted to an Employee.
- 4.5 **"Board of Directors" or "Board"** means the Board of Directors of the Company or any Committee thereof for the time being and where the context so requires shall include the Board of Directors of a subsidiary company.
- 4.6 **"Change in Capital Structure"** means a change in the capital structure of the Company as a result of re-classification of Securities, splitting up of the face value of Securities, consolidation of Securities, issue of bonus Securities, conversion of Securities into other Securities of the Company, any other change in the rights or obligations in respect of Securities or any change in pursuance of a Corporate Action.
- 4.7 **"Company"** means **AGC Networks Limited**, a company incorporated under the Act and having its registered office at Equinox Business Park, Tower 1 (Peninsula Techno Park) Off. Bandra Kurla Complex, LBS Marg Kurla West. Mumbai – 400070 and its successors and assigns.
- 4.8 **"Corporate Action"** means one of the following events:
 - (i) the merger, de-merger, spin-off, consolidation, amalgamation, sale of business, dissolution or other reorganization of the Company in which the existing Securities 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,

- (ii) the sale, lease or exchange of all or substantially all of the assets or undertaking of the Company.
- (iii) any alteration in the capital of the Company on account of issue of rights shares, bonus shares, consolidation of shares, sub-division of shares, re-classification of Securities, any restructuring of capital or any in other manner in accordance with the prevalent laws from time to time.
- (iv) the adoption by the shareholders of the Company of a Scheme of liquidation, dissolution or winding up.
- (v) acquisition (other than acquisition pursuant to any other sub-clause of this clause) by any company, person, entity or group of a controlling stake in the Company. For this purpose 'Controlling Stake' shall mean more than 50% of the voting share capital of the Company.
- (vi) any other event, which in the opinion of the Board has a material impact on the business of the Company.

4.9 **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Committee/Board for granting the Security to the Employees, specifically excluding (i) any employee who is a Promoter or belongs to the Promoter Group and/or (ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Shares of the Company and/or (iii) Independent Director of the Company.

4.10 **"Employee"** means

- (i) a permanent employee of the company who has been working in India or outside India; or
- (ii) a director of the company, whether a whole time director or not but excluding an independent director; or
- (iii) an employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the company or of an associate company but does not include—

- (a) an employee who is a promoter or a person belonging to the promoter group; or
- (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 equity shares of the company;

- 4.11 **"ESOP Scheme 2015"** means the **AGC Networks Limited – Employee Stock Option Scheme 2015** as set out herein and as amended or modified from time to time.
- 4.12 **"AGC Networks Limited" or "Employer"** means the Company or any of its subsidiary companies whether directly or through other subsidiaries.
- 4.13 **"Exercise"** of a Security means expression of an intention by an Employee to the Company to purchase the Securities vested in him, in pursuance of the ESOP Scheme 2015, in accordance with the procedure laid down by the company for exercise of Security.
- 4.14 **"Exercise Date"** means the date on which a Security holder exercises the Security.
- 4.15 **"Exercise Period"** in relation to a Security means the time period after Vesting within which an Employee should exercise his right to apply for a Securities against a Security vested in him pursuant to the ESOP Scheme 2015, and as determined by the committee.
- 4.16 **"Exercise Price"** means the Price payable by an Employee for exercising the Security awarded to him pursuant to the ESOP Scheme 2015.
- 4.17 **"ESOP Tax Guidelines"** means the Guidelines notified pursuant to section 17(2)(iii) of the Income tax Act, 1961.
- 4.18 **"ESOP Guidelines"** means the SEBI (Share Based Employee Benefits) Regulations, 2014
- 4.19 **"Grant"** means the process by which a Grantee is given an option.
- 4.20 **"Grant Date"** means the date on which the Options are granted to a Grantee by the Company/ Committee under the scheme.
- 4.21 **"Grant Letter"** means the letter by which Grant of an Option is communicated to the Grantee.
- 4.22 **"Grantee"** shall mean an Eligible Employee below of the Plan, at the time of Grant of the Option to be eligible to participate under the Plan.
- 4.23 **"Independent Director"** means a non-executive director of the Company within the meaning of Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- 4.24 **"Market Price"** means the latest available closing price on a recognized stock exchange on which the shares of the company are listed on the date immediately prior to the Board/Committee meeting date the shares are/are to be granted/allotted.

Explanation.- If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price;

In case the shares are delisting from the Stock Exchanges for any reason whatsoever, the price will be derived in accordance with the ESOP Guidelines.

- 4.25 **"Performance Shares"** are linked to performance conditions, which could be in the form of performance targets as determined by the Board/ Committee.
- 4.26 **"Nomination and Remuneration Committee"** or **"the Committee"** means the Committee of the Board constituted pursuant to Section 178 of the Act and Clause 49 of the Listing agreement.
- 4.27 **"Restricted Stock Units"** (RSU) are defined as specific grants of shares/share units to a Security holder, based on a commitment to acquire the RSU post the date of vesting.
- 4.28 **"Retirement"** means retirement as per the rules of the Company.
- 4.29 **"Resultant Securities"** means the shares or other securities issued pursuant to any 'Change in Capital Structure' or on any Corporate Action.
- 4.30 **"Security"** means the option granted to an Employee, which gives such Employee the right to purchase or subscribe at a future date the Securities at the Market price upon such terms and conditions as may be specified under the ESOP Scheme 2015.
- 4.31 **"Securities"** means securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 and shall include: -
- a) a security convertible into equity shares and shall include American Depository Receipt (ADRs), Global Depository Receipt (GDRs) or other depository receipts representing underlying equity share or security convertible into equity share
 - b) Restricted Stock Units (RSU)
 - c) Performance Shares
 - d) Equity linked instruments
 - e) Any other instruments exercisable into shares or securities
 - f) Hybrids to include any combination of the shares/RSU/Performance Shares or any other equity linked instruments)
- And where the context so requires shall be deemed to included the Resultant Securities also.
- 4.32 **"Security holder"** means an Employee who has been awarded any Securities under this ESOP Scheme 2015 and where the context requires shall include the guardian of an incapacitated Employee, and the nominee or legal heir of a deceased Employee.

- 4.33 **"Stock Exchange"** means the Bombay Stock Exchange Limited or National Stock Exchange of India Limited, or any other Stock Exchange in India and abroad on which the Company's Shares are listed or to be listed.
- 4.34 **"Subsidiary"** means a subsidiary of the Company as defined in the Act.
- 4.35 **"SEBI"** means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992.
- 4.36 **"Vesting"** means the process by which an Employee becomes eligible to exercise his rights to apply for Securities pursuant to the Security Awarded to him under the ESOP Scheme 2015.
- 4.37 **"Vesting Date"** in relation to a Security means the earliest date on which the rights vested may be exercised by an Employee.
- 4.38 **"Vesting Period"** means the period during which the vesting of option under the scheme takes place.

II) Interpretation:

In this document, unless the contrary intention appears:

- a) the singular includes the plural and vice versa;
- b) the word "person" includes an individual, a firm, a body corporate or unincorporated entity or any authority; and
- c) any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.

III) Section Headings:

Section headings are for information only and shall not affect the construction of this document.

IV) References:

- a) A reference to a Clause or Schedule is respectively a reference to a Clause or Schedule of this document. The Schedules to this document shall for all purposes form part of this document.
- b) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

SECTION 5

AUTHORITY AND CEILING

- 5.1 A Special Resolution has been passed by the members of the Company dated **21st April, 2015** authorizing the Board/ Committee to issue Security to eligible persons representing such number of Security which shall not exceed 5% (Five percent) of the issued, subscribed and paid-up equity shares of the Company as on the date of grant of Securities (subject to maximum of 14,23,323 shares) convertible into equivalent number of Securities, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board/ Committee.
- 5.2 If a Security expires or becomes un-exercisable without having been exercised in full, the un-purchased Security, which were subject thereto, shall become available for future Grants.
- 5.3 Where Securities are issued consequent upon exercise of an Employee Stock Option under the ESOP Scheme 2015 the upper limit on the number of Securities as referred to in Clause 5.1 above will stand reduced to the extent of such Securities issued.
- 5.4 Subject to clause 15.2 below, the maximum number of shares that may be issued pursuant to Exercise of Options Granted to the Participant under this Plan shall not exceed 14,23,323 shares of the Company. The Company reserves the rights to increase or reduce such number of Shares as it deems.

SECTION 6

IMPLEMENTATION

- 6.1 The ESOP Scheme 2015 shall be implemented by the Board/Committee under the broad policy and framework laid down in this regard from time to time.

SECTION 7

DURATION OF ESOP SCHEME 2015

If any Security awarded under the ESOP Scheme 2015 lapses or is forfeited under any provision of the ESOP Scheme 2015, such Security shall be available for further award under the ESOP Scheme 2015. After the Closing Date, the ESOP Scheme 2015 shall remain in effect until all the Security awarded under the ESOP Scheme 2015 shall have been exercised or shall have expired by reasons of lapse of time or otherwise, whichever is earlier. The scheme shall expire at the end on 10th year from the date of approval of the scheme.



SECTION 8

NOMINATION & REMUNERATION COMMITTEE

- 8.1 The Company has already constituted a "Nomination & Remuneration Committee" pursuant to Section 178 of the Act and Clause 49 of the Listing agreement who shall administer the ESOP Scheme 2015.
- 8.2 The Board, shall at its sole discretion, have the power to appoint any Director as a member of the Committee and to remove any such Director so appointed and appoint another in his place subject to statutory requirements of Section 178 of the Act and Clause 49 of the Listing agreement. Any such appointment and/or removal shall be made by a resolution of the Board. The Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations if it so thinks fit. The Committee, in the exercise of its powers, may require any information from the Company, and/or seek the assistance of any Employee of the Company as it may deem fit to effectively discharge its duties.
- 8.3 Over and above the powers conferred upon the Committee under Section 178 of the Act and Clause 49 of the Listing agreement, the powers of the Committee, inter alia, include the power to:
- a) determine the number of Security to be Awarded, to each Employee and in the aggregate, and the times at which such Awards shall be made.
 - b) lay down the conditions under which Security Vested in Security holder may lapse in case of termination of employment for misconduct etc.
 - c) determine the Exercise Period within which the Security holder should Exercise the Security and that Security would lapse on failure to Exercise the same within the Exercise Period or till the ESOP Scheme 2015 is valid and subject to the continuance of employment.
 - d) specify the time period within which the Employee shall Exercise the Vested Security in the event of termination or resignation of an Employee.
 - e) lay down the procedure for making a fair and reasonable adjustment to the number of Security and to the Exercise Price in case of Corporate Actions.
 - f) provide for the right of an Security holder to exercise all the Security Vested in him at one time or at various points of time within the Exercise Period.
 - g) lay down the method for satisfaction of any tax obligation arising in connection with the Securities.
 - h) lay down the procedure for cashless exercise of Security, if any.
 - i) provide for the award, Vesting and Exercise of Security in case of Employees who are on long leave or whose services have been seconded to any other company or who have joined any other Subsidiary or other company at the instance of the Employer Company.
 - j) Forfeit and cancel the options already granted or vested (only if not exercised) in circumstances mentioned in 12.6 (1).
 - k) Frame suitable policies and systems to ensure that there is no violation of (i) Securities and Exchange Board of India (Prohibition of Insider Trading)

Regulations, 1992; and (ii) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any Employee

- l) Approve forms, writings and/or agreements for use in pursuance of the ESOP Scheme 2015.
 - m) Frame any other byelaws, rules or procedures as it may deem fit for administering the ESOP Scheme 2015.
 - n) Finalizing the terms and conditions for grant, vesting and exercise, which shall be final and binding on all the eligible employees.
- 8.4 No member of the Committee shall be personally liable for any decision or action taken in good faith with respect to the ESOP Scheme 2015.
- 8.5 A member of the Committee shall abstain from participating in and deciding any matter relating awarding of any Security to him.

SECTION 9

APPRAISAL AND ELIGIBILITY OF AN EMPLOYEE

- 9.1 As soon as may be possible after the ESOP Scheme 2015 comes into effect and at such times thereafter, the Committee shall, based on the various criteria decide on the Employees who are eligible for the Security under the ESOP Scheme 2015 and the terms and conditions thereof. The Committee may in its absolute discretion vary or modify such criteria and/or selection and/or the terms and conditions for awarding any Security to any Employee or class of Employees. It is hereby clarified that the Board may authorize and award Security under any other ESOP Scheme 2015 within the overall limit stated in Clause 5.1 herein above, if such limit is not exhausted under this ESOP Scheme 2015.

All employees as mentioned in clause 4.9 and 4.10 of the scheme shall be eligible to participate in the ESOP Scheme 2015.

SECTION 10

AWARDING OF SECURITY

- 10.1 The Committee may from time to time award Security to one or more Employees, which may include recurring Security to the same employee. The aggregate number of Securities underlying a Security that may be awarded under the ESOP Scheme 2015 shall not exceed 1% of the paid-up share capital of the Company in any one year if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

- 10.2 The Grants, if any, made to any eligible employees, will be made through a grant letter signed by Chief People Officer/Company Secretary of the Company as authorized by the Committee/Board.
- 10.3 Unless agreed to otherwise between the Company and any Employee, the award of a Security to an Employee under the ESOP Scheme 2015 shall entitle the Security Holder to apply for equivalent Securities in the Company upon payment of a price derived in the manner set out in clause 11.1 of this ESOP Scheme 2015. Subsequent Security may be awarded at such price as may be determined by the Committee.
- 10.4 Unless otherwise specified in the grant Letters, all Awards shall be deemed to have been made effective from the date mentioned in the grant letter.
- 10.5 Each Security awarded shall be advised to the Employees in writing specifying the date, number of Security awarded, the Vesting of the Security, the earliest date on which some or all of the Security under the Award shall be eligible for Vesting, fulfillment of the performance and other conditions, if any, subject to which Vesting shall take, and the other terms and conditions thereof.

SECTION 11

VESTING OF SECURITY

- 11.1 Unless the terms and conditions of an award of Security shall otherwise require, Security awarded to an employee shall entitle him to apply for the Securities within the exercise period and at an Exercise Price which would be the latest available closing price on the Stock Exchange, which records the highest trading volume in the Company's equity shares on the date prior to the date of the meeting of the Board/Committee at which the Securities are granted or at such price as the Board/Committee may determine.

Notwithstanding anything to the contrary in this ESOP Scheme 2015, the Committee shall be entitled to make the Vesting of any or all of the Security Awarded to an Employee conditional upon the fulfillment of such performance criteria whether of the Employee and/or any team or group of which he is a part and/or of the Company or the Employer Company, as may be determined by the Committee may determine a Vesting schedule other than that specified hereinabove for any Employee or class of Employees.

- 11.2 Unless otherwise specified, all Security granted (awarded) on any date shall Vest in the following manner:

% of securities to vest	Timeframe
33% of total granted securities	Upon the expiry of 36 months from the date of the grant.
33% of total granted securities	Upon the expiry of 48 months from the date of the grant.

34% of total granted securities	Upon the expiry of 60 months from the date of the grant.
---------------------------------	--

Further, following table shall be applicable in case of various scenarios (during employment) for vesting and exercising.

In case of	All Unvested Securities/options	All Vested Securities/options
Death*	Immediately vest - have to get exercised within 1 year from such vesting	Have to get exercised within 12 months from such vest*
Permanent incapacitation	Immediately vest - have to get exercised within 1 year from such vesting	Have to get exercised within 12 months from such vest
Retirement	Vesting continues during remaining term specified	24 months to exercise
Voluntary Resignation	Forfeited/Lapse	Three months to exercise
Termination for cause [#]	Forfeited/Lapse	Forfeited/Lapse
Termination without cause [#]	Forfeited/Lapse	Three months to exercise

* Option shall vest in and exercised by legal heirs of the deceased employee.

[#] "Cause" shall mean, as determined by the Nomination and Remuneration Committee, (i) continued failure by Security holder in substantially performing his duties towards the Company (other than any such failure resulting from retirement, death or disability as provided below), (ii) Security holder's engagement in willful, reckless or grossly negligent misconduct which is determined to be detrimental to the interest of the Employer Company or any of its affiliates, monetarily or otherwise, (iii) fraud, misfeasance, embezzlement, breach of trust or wrongful disclosure by the Security holder of any confidential information about the Employer Company (iv) The Security holder being found to be or becomes insolvent or of unsound mind (v) The Security holder is convicted by court of any offence or (vi) The Security holder found to be involved in any activity of moral turpitude. (vii) The Security holder breaches the terms of confidentiality and/or the non-competency clauses in terms of the employment agreement entered into with the Company.

In the event that an employee who has been granted benefits under a scheme is transferred or deputed to an associate company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

SECTION 12

EXERCISE OF SECURITY

12.1 Unless otherwise specified in the ESOP Scheme 2015, Vested Security must be Exercised within 24 months from the date of vesting (except in case of Death/Permanent Incapacitation/Termination/Retirement/resignation), failing which

the Security shall lapse. The Committee may in its discretion lay down different procedure for Exercise of Security linked to the performance criteria.

Provided however that in case of Death / Permanent Incapacitation / Termination / Retirement / resignation, exercise of securities shall be as per clause 11.2 above.

12.2 The Security holder may, at any time during the Exercise Period, and subject to fulfillment of the conditions on which the Security have been awarded, Exercise the Security by submitting an application to the Board/ Committee to issue and allot him Securities pursuant to the Vested Security, accompanied by payment of an amount equivalent to the Exercise Price in respect of such Securities and such other writing, if any, as the Board/ Committee may specify to confirm extinguishment of the rights comprising in the Security then Exercised. However, before exercising the option by applying for issue and allotment of securities pursuant to the Vested Security, the employee will have to substantiate the due fulfillment of the targets, if any, as agreed between him/her and the management at the time of his/her appointment or subsequently, and adherence of all the policies existing in the Company, by submitting the material proof for the same to the management or Board as may be required. In the event of Exercise of Security resulting in fractional Securities, the Committee shall be entitled to round off the number of Securities to be issued to the nearest whole number, and Exercise Price shall be correspondingly adjusted.

12.3 Except as otherwise provided, payment of the Exercise Price for the Securities to be acquired pursuant to any Security shall be made either by:

- (i) cheque favoring the ESOP Bank account (as shall be opened pursuant to this scheme) payable at the registered office of the Company for subscription of shares and amount of tax calculated in accordance with tax guidelines and with the prevalent laws at that particular time,
- (ii) the Security holder authorizes the Company to deduct such amount from his salary due and payable for exercise of the Security, if required. The allotment of Securities shall be made only after receipt of the full amount towards subscription, subject to compliance of the provisions of the Companies Act, 2013 and the listing agreement.
- (iii) such other consideration as may be approved by the Board/ Committee from time to time to the extent permitted by applicable law, or
- (iv) any combination of any two or more of the abovementioned methods.

12.4 The application shall be in such form as may be prescribed in this regard and the Committee may determine the procedure for the Exercise from time to time.

12.5 Notwithstanding anything contained elsewhere in the ESOP Scheme 2015, the Committee and/or the Board may:

1. not permit the Exercise of any Security (whether Vested or not) awarded to an Employee i.e. to forfeit the options, in the event of the Employee being found to be involved in fraud, misfeasance, gross negligence, breach of trust, breach of the agreement or any conditions specified in the agreement or appointment letter

entered or issued under the terms of employment, or his/her performance is found unsatisfactory by the management of the Company or he/she fails to achieve or fulfill the targets as agreed between the management and the employee, or he/she could not prove his/her adherence to all the policies existing in the Company, etc and in such an event the rights under the Security (whether Vested or not) shall lapse, forthwith, without any claim on, or recourse to the Company.

2. if the Exercise of Security within the Exercise Period, is prevented by any law or regulation in force, defer or may not permit the Exercise of Security till such time as it is prohibited by the applicable laws or regulations then the Company shall not be liable to pay any compensation to the Employee for any loss suffered due to such refusal.

Provided further, that the Committee/Board shall have the power to cancel all or any of the Security awarded under the ESOP Scheme 2015 if so required under any law for the time being in force or on the order of the jurisdictional court. In the event of any such cancellation, no compensation shall be payable to the Security holder for such cancelled Security.

SECTION 13

TERMS AND CONDITIONS OF SECURITIES

- 13.1 The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are issued upon exercise of option.
- 13.2 All shares acquired under the ESOP Scheme 2015 will rank pari-passu with all other shares of the Company for the time being in issue, save as regards any right attached to any such shares by reference to a record date prior to the date of allotment.
- 13.3 It shall be the responsibility of the acquirer to make mandatory disclosures as may be required under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 1992 and other applicable acts, Law, rules and regulations.
- 13.4 Neither a Security holder, nor his successor in interest, shall have any of the rights of a shareholder of the Company with respect to the Securities for which the Security to be exercised and until such Securities are issued and allotted by the Company.
- 13.5 If the Company issues securities in the form of bonus or rights, the Security holder will be eligible for the bonus or rights in the capacity of a Security holder.

SECTION 14

CHANGE IN CAPITAL STRUCTURE OR CORPORATE ACTION

- 14.1 Except as hereinafter provided, an Award made shall be subject to adjustment, by the Committee, at its discretion, as to the number and price of Security, as the case may be, in the event of 'Change in Capital Structure' or a 'Corporate Action' as defined herein.
- 14.2 If there is a 'Change in the Capital Structure of the Company' before the Security awarded under this ESOP Scheme 2015 are exercised, the Employee shall be entitled on exercise of the Security, to such number of Resultant Securities to which he would have been entitled as if all then outstanding Security exercised by him, had been exercised before such 'Change in the Capital Structure' had taken place and the rights under the Security shall stand correspondingly adjusted.
- 14.3 The Security awarded, are Securities as presently constituted and which may be issued in future. But if and when, prior to the expiry of the Exercise Period there is a 'Change in the Capital Structure' of the Company, the number of Resultant Securities with respect to which the Security may thereafter be exercised shall, in the event of:
- i) an increase in the number of Resultant Securities, be proportionately increased, and the Exercise Price, be proportionately reduced.
 - ii) a reduction in the number of Resultant Securities, be proportionately reduced, and the Exercise Price, be proportionately increased.

Provided further that in case the provisions of applicable law restrict/prohibit the issue of Securities at a discount or its par or other value, the Exercise Price shall not be less than such amount as prescribed under such law.

- 14.4 In the event of 'Corporate Action', the Committee, at least seven days prior to any 'Corporate Action' or sixty days thereafter, acting in its absolute discretion with or without the consent or approval of the Employee, as it may deem fit, shall in respect of the outstanding Security act on any of the following alternatives:-
- i) Provide that on any Exercise of Security hereafter, the Security holder shall be entitled to the Securities and / or Resultant securities as if the Security holder had been a Holder of the Securities on the date of the Corporate Action.
 - ii) Make such adjustments to the Security outstanding to reflect the 'Corporate Action', as may be necessary,
 - iii) Substitute the Security Awarded, by fresh Security whether in the Company or another company, which have substantially the same terms as the Security Awarded under this ESOP Scheme 2015.

- iv) Require the mandatory surrender to the Company, by all or some of the Security holders, of all or some of the outstanding Security, irrespective of whether, the Security, have vested or not, as on that date. In such an event the Committee shall pay to such Employee an amount, in cash or otherwise, per Security, as the case may be, of the "Surrender Value" after deducting the balance Exercise Price payable, if any.
- 14.5 Where the Company makes a further issue of capital upon which all the existing Shareholders of the Company are offered a right to subscribe for the further issue of capital at a price lower than the Market Price, (hereinafter called 'the Rights issue'), the Board/committee may in its absolute discretion, permit the Employees to subscribe pro-rata to the additional Securities on the same terms and conditions as the right issue, as if all the Security not Exercised by him had been Exercised by him before such 'Change in the Capital Structure' of the Company, had taken place. Such newly subscribed Securities shall be issued on such terms and conditions as may be determined or deemed fit by the Board.

SECTION 15

AMENDMENT OR TERMINATION OF ESOP SCHEME 2015

- 15.1 The company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the employees:

Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.

- 15.2 Subject to 15.1 above, the company may by special resolution in a general meeting vary the terms of the schemes 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.
- 15.3 The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation.

SECTION 16

OTHERS

- 16.1 No Right to a Security:**

Neither the adoption of the ESOP Scheme 2015 nor any action of the Board or Committee shall be deemed to give an Employee any right to be awarded any Security or to acquire Securities or to any other rights, nor shall it create any right in any employee to claim any Security as a matter of right.

The grant of a Security does not form part of the Security holder entitlement to Compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person of the Company, give such person any right entitlement or expectation to have an Security granted to him in respect of any number of Securities or any expectation that a Security might be granted to him whether subject to any condition.

Neither the existence of this ESOP Scheme 2015 nor the fact that an individual has on any occasion been granted a Security shall give such individual any right entitlement or expectation that he has or will in future have any such right entitlement or expectation to participate in this ESOP Scheme 2015 by being granted a Security on any other occasion.

The Security holder shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Security in whole or in part in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair) or on account of adverse fluctuation of the market price of the Security.

16.2 Variation of price of Security granted under the ESOP Scheme 2015

A company may re-price the options which are not exercised, whether or not they have been vested if the schemes were rendered unattractive due to fall in the price of the shares in the stock market:

Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the employees and approval of the shareholders in general meeting has been obtained for such re-pricing.

16.3 No Employment Rights Conferred:

Nothing contained herein or in any Security awarded to an Employee shall:

- (i) give or confer upon such Employee any right for continuation of any employment with his employer, or
- (ii) interfere in any way with the right of his Employer to terminate the employment of such Employee at any time and for any reason whatsoever.

16.4 Tax Implication:

Any tax arising out of allotment of equity shares under ESOP Scheme 2015 will be borne by the employee in accordance with applicable Tax Laws and Rules in India and Income Tax Laws and Rules in respective countries.

a) Tax Deduction at Source:

The Company shall have the right to deduct taxes or claim, in connection with all grants, all taxes, if any, required by law to be deducted at source and to obtain/recover any payments as may be necessary to enable it to satisfy such obligations.

b) Any other taxes:

Any other taxes introduced in future by the State Government or Central Government or any other relevant authority in respective countries shall also be deducted/collected from the employee at the time of vesting or exercising the Options.

The Company reserves the right to refuse allotment of equity shares in case the employee is unable to discharge in full the obligation in respect of Tax Deduction at Source or any other taxes as referred above.

16.5 No Restriction of Corporate Action:

The existence of the ESOP Scheme 2015 and the Awards made hereunder shall not in any way effect the right or the power of the Board or the shareholders or the Company to make or authorize any 'Change in Capital Structure; including any issue of shares, debt or other securities having any priority or preference with respect to the Securities or the rights thereof.

Nothing contained in the ESOP Scheme 2015 shall be construed to prevent the Employer Company from taking any Corporate Action which is deemed by such Employer Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on the ESOP Scheme 2015 or any Award made under the ESOP Scheme 2015. No Employee or other person shall have any claim against the Employer Company as a result of such action.

16.6 Confidentiality:

The Security holder shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the ESOP Scheme 2015, award, the Agreement or any connected matter. Any violation may result in cancellation of the award without prejudice to the other action, which may be taken in this regard.

The Security holder shall ensure that he/she will not breach the terms and conditions of his employment including that of Non-Competency and Non-Solicitation failing which the Company reserves the right to cancel all the awards granted to the Security holder.

16.7 Insider Trading:

The Security holder shall ensure that there is no violation of SEBI (Prohibition of Insider Trading) Regulations, 1992 as applicable from time to time for the prevention of "insider trading" in shares and securities and for prevention of Fraudulent and/or Unfair Trade Practices relating to the securities market.

The Committee shall be entitled to frame such rules, regulations as may be necessary to ensure that there is no violation of the above referred regulations and/or practices.

The Security holder shall indemnify and keep indemnified the Company in respect of any liability arising as a result or consequence of the violation of the above provisions by the employee.

16.8 New ESOP Scheme:

Nothing contained in the ESOP Scheme 2015 shall be construed to prevent the Employer Company directly or through any trust settled by any Employer Company, from implementing any other new ESOP Scheme for awarding Securities and/or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the ESOP Scheme 2015 or any Award made under the ESOP Scheme 2015. No Employee or other person shall have any claim against the Company as a result of such action.

16.9 Issues:

In respect of any issues arising in respect of the ESOP Scheme 2015, the decision of the Board of Directors or the Committee shall be final and binding on all concerned.

16.10 Restriction of Transfer of Security:

Securities shall not be transferable and shall be exercisable during Exercise Period only by such Employee or in case of death, by the legal heirs of the deceased employee. Securities shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

16.11 ESOP Scheme 2015 severable

This ESOP Scheme 2015 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.

In the event that any term, condition or provision of this ESOP Scheme 2015 being held to be a violation of any applicable law, statute or regulation the same shall be

severable from the rest of this ESOP Scheme 2015 and shall be of no force and effect and this ESOP Scheme 2015 shall remain in full force and effect as if such term, condition or provision had not originally been contained in this ESOP Scheme 2015.

16.12 Notices

All notices of communication required to be given by the Company to an Security holder by virtue of this ESOP Scheme 2015 shall be in writing and shall be sent to the address of the Security holder available in the records of the Company and any communication to be given by a Security holder to the Company in respect of ESOP shall be sent to the address mentioned below:

Secretarial Department - AGC Networks Limited
Equinox Business Park, Tower 1 (Peninsula Techno Park) Off. Bandra Kurla Complex,
LBS Marg Kurla West. Mumbai – 400070

16.13 Arbitration

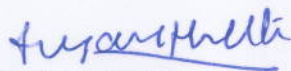
All disputes arising out of or in connection with the ESOP Scheme 2015 or the Award shall be referred to for arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The Arbitrator shall be appointed by the Company, and the place of Arbitration shall be Mumbai, India.

16.14 Governing Laws:

The ESOP Scheme 2015 shall be construed in accordance with the laws of India and subject to the jurisdiction of Court in Mumbai, India only.

IN WITNESS WHEREOF THE following of the Company have hereunto set there respective hands and seal on the 21st April, 2015

SIGNED BY THE WITHINNAMED



Mr. Sujay Sheth
Chairman
AGC Networks Limited



Mrs. Mahua Mukherjee
Chief People Officer
AGC Networks Limited