

16 January 2020

The BSE Limited
PJ Towers, 25th Floor,
Dalal Street
Mumbai 400001.
Scrip Code: 532175

The National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex, Bandra (E)
Mumbai-400 051.
Scrip Code: CYIENT

Dear Sir,

Sub: Outcome of Board Meeting.

This is to inform that the Board of Directors of the Company at their meeting held today have approved the following:

1. Associate Restricted Stock units scheme (ARSUS 2020); salient features of the scheme are enclosed as annexure.
2. Conduct of Postal ballot for obtaining shareholder approval for the above ARSUS 2020.
3. Closure of Cyient Engineering (Beijing) Limited, a wholly owned subsidiary of the company at China.

Thanking you
For Cyient Limited



Ravi Kumar Nukala
Dy. Company Secretary

Cyient Ltd.

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Formerly Infotech Enterprises Limited

Salient feature of the Scheme

a) Brief description of the Scheme:

The Scheme contemplates grant of Restricted Stock Units ("RSU or units") to the eligible Associates of the Company and its subsidiaries, as may be determined in due compliance of SEBI Regulations and provisions of the Scheme. After vesting of RSUs, the eligible Associates earn a right (but not obligation) to exercise the vested units within the limited period as may be determined and obtain equity shares of the Company subject to payment of grant price and satisfaction of any tax obligation arising thereon.

The Leadership, Nomination and Remuneration Committee (Compensation Committee) of the Company shall supervise and administer the Scheme. All questions of interpretation of the Scheme shall be determined by the Compensation Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.

The rationale of the RSU scheme is to encourage senior associates to participate in the company's growth with a slightly longer term horizon and is predominantly based on the associates' choice of RSU participation *in lieu* of existing variable compensation outflows. This minimizes the impact to the company P&L.

Without prejudice to the generality of the foregoing, the scheme:

- Entails associates opting to take a percentage of their current actual variable pay in the form of RSUs. The eligible percentages are 25% in Year 1 and 50% in Year 2 of the variable pay
- Will cover Level 13/Band G and above associates only (Less than 100 as of today)
- Will result in enhanced leadership buy-in and alignment to Company's medium term results with minimal P&L impact or dilution of equity for existing shareholders
- Aligns the goals to the shareholders interest
- Adds 25% of the value opted as an upside with a view to incentivise the associates' commitment and deferment of a short-term bonus into a long term incentive.

b) Total number of RSUs to be granted:

The total number of units to be granted under the Scheme shall not exceed 4,18,000 (Four Lakhs Eighteen Thousand only) units to the associates of the Company and 6,32,000 (Six Lakhs Thirty Two Thousand only) units to the associates of company's subsidiaries. Each unit when exercised would be converted into one Equity Share of Rs. 5 (Rupees Five only) each fully paid-up of the Company.

In case of any corporate action(s) / change in control, the Compensation Committee/Board, shall do the necessary adjustments at its sole discretion. However, in the event of adverse effect due to any 'Corporate Action' or 'Change in Control' on the Associates, the Compensation Committee or Board may choose either to continue with the scheme or may allow to cash out by immediate vesting, depending upon the adversity.

c) Identification of classes of Associates entitled to participate in the Scheme

Associate means

- (i) a permanent Associate of the Company working in India or out of India; or
- (ii) Director of the Company whether whole-time or not, and
- (iii) an Associate defined in Sub-clauses (i) and (ii) hereof of one or more Subsidiary Companies of the



Company whether in or outside India, but does not include:

- i. an Associate who is a Promoter or a person belonging to the Promoter Group;
- ii. a Director who either by himself/herself or through his/ her relatives or through anybody corporate, directly or indirectly, holds more than 10% of the issued and subscribed Equity Shares of the Company; and
- iii. an Independent Director within the meaning of the Companies Act, 2013 and/or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Associates shall be subject to fulfillment of such eligibility criteria as may be specified in the SEBI Regulations and / or as may be determined by the Compensation Committee from time to time, before grant of RSUs.

Note: The term 'Associate(s)' refers to employees of the Company.

d) Requirements of vesting and period of vesting:

There would be a minimum vesting period of one year from the date of grant, the vesting schedule is mentioned in the scheme. Other conditions, if any, for vesting shall be decided by the Compensation Committee at the time of grant of RSUs.

RSUs vested to an eligible Associate shall entitle him to apply for the share within the limited period as decided by the Compensation Committee and at the grant price. Units shall vest essentially based on continuation of employment as per requirement of SEBI Regulations.

In case of death or permanent disability of Associate during the period of his service, then all units granted to him under the Scheme till such date shall vest in the legal heirs or nominees of the deceased eligible Associate or to himself subject to the provisions of SEBI Regulations and other applicable laws.

e) Maximum period within which the units shall be vested:

There shall be a minimum period of one year between the grant of RSUs and vesting of RSUs. Vesting of RSUs will be as per the schedule given below:

Period	% of RSUs vesting
12 months from the date of grant	30%
24 months from the date of grant	50%
36 months from the date of grant	20%

The maximum period within which the vested RSUs shall be exercised is 60 months from the date of grant.

f) Exercise period and process of exercise:

The exercise period and the process of exercise will be as determined by the Compensation committee in accordance with the vesting schedule. Each exercise window will be for not less than 10 working days and all payments by the associates will be made through normal banking channels. Shares resulting out of the exercise will be credited to the respective demat accounts of the associates.

g) The Lock-in period, if any:

There is no lock-in period for the resultant shares after exercise of the units.



h) Grant price or pricing formula:

Grant Price per unit shall be the face value of Rs. 5 (Rupees Five only) per share.

i) Allotment of shares:

Once the RSUs vest to the eligible Associates, they may, subject to fulfilment of laid down conditions per the RSUs Grant Agreements, within the limited period, submit an application to the Compensation Committee, to allot shares to them, accompanied by payment of an amount equivalent to the grant price in respect of such RSUs in the manner as decided by the Compensation Committee.

In case of cessation of employment before vesting, the eligible Associate shall not be entitled for allotment in accordance with the laid provisions. The shares allotted under this Scheme will rank *pari passu* in all respects with the then existing issued shares of the company. Also, the units shall lapse if not exercised within the limited period made available.

j) Process for determining the eligibility of Associates under the Scheme:

The process for determining the eligibility criteria for the eligible associates will be specified by the Committee, and will be based on an appraisal process consisting, *inter alia*, of the associate's grade, years of service, present performance and potential, conduct and such other factors as may be decided by the committee from time to time. In doing so, the committee will be ably aided and assisted by the management.

k) Maximum number of units to be issued per Associate and in aggregate:

Under the Scheme, the number of units that may be granted to any specific Associate of the Company, shall not exceed 50,000 (Fifty Thousand only) and in aggregate, shall not exceed 4,18,000 (Four Lakhs Eighteen Thousand only) units to the associates of the Company and 6,32,000 (Six Lakhs Thirty Two Thousand only) units to the associates of Company' Subsidiaries.

l) Maximum quantum of benefits to be provided per Associate:

The maximum quantum of benefits underlying the units issued to an eligible Associate shall depend upon the market price of the shares as on the date of allotment of shares.

m) Route of Scheme implementation:

The Scheme shall be implemented directly by the company and the Trust route is not contemplated.

n) Source of acquisition of shares under the Scheme:

The Scheme contemplates use of shares from the existing authorized but un-issued shares of the Company.

o) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:

Not applicable.



p) Maximum percentage of secondary acquisition:

Not applicable.

q) the conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct:

In case of termination due to misconduct all the RSUs (both vested and unvested) shall lapse.

r) The specified time period within which the associate shall exercise the vested options in the event of proposed termination of employment or resignation of associate:

All the vested RSUs shall be exercised within a period of six months from the date of termination of employment or resignation of associate.

s) Accounting and Disclosure Policies:

The Company shall follow the relevant Indian Accounting Standards (Ind-AS) and related guidance on share-based payments as prescribed under the Companies Act, 2013, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI") and The Institute of Chartered Accountants of India (ICAI), including the disclosure requirements prescribed therein.

t) Method of RSU valuation:

The Company shall adopt 'fair value method' for valuation of RSUs granted.

For CYIENT LIMITED


N. RAVI KUMAR,
Dy. Company Secretary