

SHEELA FOAM LTD - EMPLOYEES STOCK OPTION PLAN 2022
SCHEME CUM DISCLOSURE DOCUMENT

PART A
STATEMENT OF RISKS

All investments in shares or options on shares are subject to risk as the value of shares may go down or up. In addition, employee stock options are subject to the following additional risks:

1. **Concentration**: The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.
2. **Leverage**: Any change in the value of the share can lead to a significantly larger change in the value of the option.
3. **Illiquidity**: The options cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their options/benefits before they are exercised.
4. **Vesting**: The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the employment is terminated for gross misconduct.

PART B
INFORMATION ABOUT THE COMPANY

1. Business of the company:

- A description of the main objects:
A. Main Objects
- To manufacture flexible, semi-flexible and rigid Poly-Urethane Foam slabs and allied products and processing and fabrication thereof and mattresses and cushions upholstery material, manufacture of furniture; packing material and insulation material, moulding of rigid Poly Urethane for various shapes and size and manufacture of jackets and such other items by way of lamination of Poly-Urethane Foam with fabric and manufacture of products that may be allied or may be usefully combined with manufacture of any of the material mentioned above.
- To manufacture with flexible, semi-flexible and rigid Poly Urethane Foam slabs such items and products which cater to the needs of industrial users such as linings used in Air Conditioners, Cars, Refrigerators, Washing Machines, Calculators, Computers, Laptops, Clocks, Watches and other industries.
- To manufacture with flexible, semi-flexible and rigid Poly Urethane Foam slabs, items which cater to the needs of consumers such as mattresses, pillows, cushions, bolsters,



wonder couch, sofa, sofa cum bed, Chairs, seats, berths, bed covers, mattress covers, quilted panels and quilted sheets, floor mats, mats, dusters.

- The manufacturing and or production of raw material, chemicals and other materials which are used in the manufacturing process of Poly Urethane Foam such as Polyol and TDI, which are produced by the refinement of Petroleum products, and for that purpose to carry on the Refining of Petroleum products to manufacture Polyol, TDI and thereby move into backward integration of manufacturing and producing raw materials used in the manufacturing of Polyol and TDI.
- To carry on the business of manufacturers, importers, exporters, stockiest, suppliers, dealers, fabricators and processors of products made of Polyurethane or Coir or those products in which Poly Urethane Foam or coir is used such as mattresses, cushions, bolsters, Sofa, Sofa cum bed, Chair, mats, Air conditioners, Cars, Refrigerators, Calculators, Computers etc. and thereby move into forward integration in the manufacture of the above products.
- To manufacture flexible, semi-flexible and rigid Coir foam slabs and their allied products including mattresses and cushions, upholstery items, furniture items, packing material, insulation material, coir mouldings of various shapes and sizes, jackets, other items by way of lamination of coir foam with fabric by processing and fabrication and to manufacture products that may be allied or may be usefully combined with manufacture of any of the items mentioned above
- To manufacture with flexible, semi-flexible and rigid Coir Foam slab items, which cater to the needs of consumers such as sheets, mattresses, cushions, pillows, seats, berths, mats etc.
- The manufacturing, production and or cultivation of raw material and other Rems necessary and used in the manufacturing of coir foam such as plantation and cultivation of Palm or other trees, production of coir fiber and coir ropes to carry on the business of farming and to act as agents, distributors, traders, stockiest, importers, exporters, processors, cultivators of raw materials used in the manufacturing of Coir foam and for that purpose to manufacture, buy sell, exchange, market, pledge, distribute or otherwise deal in all varieties of agricultural products food products, plantations, crops whether of spontaneous growth or not and for that purpose to lay out, construct, purchase, take over, hire, lease or otherwise acquire, equip, alter and maintain estates, gardens, plantations and farms etc.
- To import, export, sell, purchase or otherwise deal in any of the above products or products similar or allied thereto or any raw materials, any semi-finished goods or manufacture of the above products, and to buy, sell, manufacture, exchanges popularise, alter, improve, advertise prepare or make and/or otherwise deal in or distribute all kinds of Poly-Urethane Foam and allied products, raw materials and other sub-stances or articles, necessary or convenient for carrying on the above business



- To carry on business of importers, exporters, stockists, suppliers, manufacturers dealers, fabricators, and processors of all kinds of poly-vinyl chloride and allied products or substitutes.
- To develop and export Computer Software, to render software maintenance and back up supports, other information technology services and allied services and to provide managerial services, technical services and export of the professional services, in India and abroad
- To provide IT enabled services in India & abroad namely Back Office operation call centers, Content development or Animation, Data Processing, engineering & Design, Geographic Information System Services, Human Resource Services, insurance Claim Processing, Legal Database, Medical Transcription, Payroll, Support Centers and website Services.
- To import, export, sole purchases or otherwise deal in any kind of the capital goods or other related items, raw materials, substances or articles necessary or convenient for developing and providing the above IT enabled services.”

Present business of the company: Sheela Foam Limited is engaged in the business of manufacturing and selling of polyurethane foams, mattresses, pillows, Cushions, bedsheets and home comfort products etc.

2. Abridged financial information:

- Abridged financial information, for the last five years for which audited financial information is available, as specified by the SEBI from time to time:

Balance sheet (Standalone) (Currency: INR Million)					
	31/Mar/2022	31/Mar/2021	31/Mar/2020	31/Mar/2019	31/Mar/2018
EQUITY AND LIABILITIES	12,095	10,134	8,301	6,691	5,463
Shareholders' funds					
Share capital	244	244	244	244	244
Reserves and surplus	11,851	9,890	8,057	6,447	5,219
Share application money pending allotment	0	0	0	0	0
Non-current Liabilities	877	653	904	882	749
Current Liabilities	3,266	3,423	2,490	2,656	2672



Current liabilities					
Borrowings	0	0	0	0	1
Lease Liabilities	11	1	2		
Trade payables	2,095	2,333	1,141	1,165	1132
Other current liabilities	1160	1089	1347	1491	1539
Total	16,238	14,210	11,695	10,229	8,884
ASSETS					
Non-current Assets	11,159	8,497	5,808	4,334	3,993
Property, Plant & Equipment	2,350	2,536	2,542	2,654	2,524
Capital Work In Progress	6	12	165	7	37
Right of Use Assets	184	201	211	-	-
Investment Property	36	38	37	38	-
Investment In Subsidiaries	1,967	2,137	2,137	994	-
Financial Assets					
Investments	5,288	3,036	118	492	1341
(b) Loans	778	486	485	23	-
(c) Other Financial Assets	180	21	3	1	-
(d) Investment in Preference Shares	299	-	-	-	-
Non-current Assets (Net)	45	3	96	106	-
Other Non Current Assets	26	26	14	19	91
Current Assets	5,079	5,713	5,887	5,895	4,891
Inventories	2,035	2,283	1,652	1,530	1,294
Financial Assets					
(a) Investments	840	1,060	2,179	2,677	-
(b) Trade Receivable	1,516	1,630	1,264	1,026	1,016
(c) Cash And Cash Equivalent	143	350	289	107	1,448
(d) Other Bank Balances	3	5	2	16	-
(e) Loans	56	56	56	1	-
(f) Other Current Fin Assets	293	87	100	257	-



Other Current Assets	194	241	345	281	1128
GRAND TOTAL – ASSETS	16,238	14,210	11,695	10,229	8,884

Profit & loss (Standalone)					
	Year ended 31/Mar/2022	Year ended 31/Mar/2021	Year ended 31/Mar/2020	Year ended 31/Mar/2019	Year ended 31/Mar/2018
INCOME					
Operational Revenue	21,244	16,939	17,548	18,138	16,565
Operating Expenses	18,906	14,566	15,278	16,302	14,655
EBITDA	2,338	2,373	2,270	1,835	1,910
<i>EBITDA Margins (%)</i>	<i>11.01%</i>	<i>14.01%</i>	<i>12.94%</i>	<i>10.12%</i>	<i>11.53%</i>
Other Income	702	474	413	305	250
Depreciation	324	325	331	311	277
Finance Cost	71	87	81	73	57
PBT	2,645	2,435	2,271	1,756	1,825
Exceptional Items	-	-	120	-	-
Tax	673	623	496	519	565
PAT	1,973	1,812	1,655	1,237	1,259
<i>PAT Margins (%)</i>	<i>9.29%</i>	<i>10.70%</i>	<i>9.43%</i>	<i>6.82%</i>	<i>7%</i>



	As at	As at	As at	As at	As at
	31/Mar/2022	31/Mar/2021	31/Mar/2020	31/Mar/2019	31/Mar/2018
EQUITY & LIABILITIES					
Equity	14,002	11,932	9,264	7,301	5,972
(A) Share Capital	244	244	244	244	244
(B) Other Equity	13,682	11,599	8,953	7,057	5,728
Non Controlling Interest	76	89	67	-	
Non-current Liabilities	4,136	3,068	3,328	896	804
Financial Liabilities					
(A) Borrowings	2,282	1,326	1,571	55	83
(B) Lease Liabilities	1,057	1,086	824	-	-
(C) Other Non Current Financial Liabilities	503	502	737	696	-
Provisions	274	62	86	80	-
Other Non current Liabilities	2	3	-	-	721
Deferred Tax Liabilities (Net)	18	89	110	65	-
Current Liabilities	5,586	5,694	3,847	3,421	3,651
GRAND TOTAL EQUITIES & LIABILITIES	23,724	20,694	16,439	11,618	10,427
ASSETS					
Non-current Assets	15,511	12,381	8,870	4,761	4,505
Property, Plant & Equipment	4,355	4,300	4,204	3,396	3,389
Capital Work In Progress	1,199	326	180	7	522



Right of Use Assets	1,394	1,418	1,167	0	-
Investment Property	562	590	590	639	-
Goodwill	2,520	2,631	2,546	82	82
Financial Assets					
(a) Investments	5,288	3,036	118	492	374
(b) Loans	1	2	26	29	-
(c) Other Non Current Fin Assets	45	52	21	11	-
Non-current Assets (Net)	67	-	5	87	-
Other Non Current Assets	80	26	13	18	138
Current Assets	8,213	8,313	7,569	6,857	5,922
Inventories	3,145	3,153	2,269	1,871	1726
Financial Assets					
(a) Investments	893	1,070	2,196	2,684	-
(b) Trade Receivable	2,850	3,021	2,158	1,522	1473
(c) Cash And Cash Equivalent	408	574	441	168	1583
(d) Other Bank Balances	3	7	5	35	-
(e) Loans	56	56	56	2	-
(f) Other Current Fin Assets	264	69	55	257	-
Other Current Assets	594	363	389	318	1,140
GRAND TOTAL ASSETS	23,724	20,694	16,439	11,618	10,427



Statement of Profit and loss (Consolidated)					
(Currency: Indian rupees) (in lakhs)	Year ended	Year ended	Year ended	Year ended	Year ended
	31/Mar/2022	31/Mar/2021	31/Mar/2020	31/Mar/2019	31/Mar/2018
INCOME					
Operational Revenue	29,818	24,372	21,736	21,414	19,653
Operating Expenses	26,669	20,730	18,732	19,305	18,368
EBITDA	3,149	3,642	3,004	2,109	1,285
<i>EBITDA Margins (%)</i>	<i>10.56%</i>	<i>14.94%</i>	<i>13.82%</i>	<i>9.85%</i>	<i>6.54%</i>
Other Income	792	502	400	276	211
Depreciation	808	729	590	395	352
Finance Cost	169	177	130	96	87
PBT	2,964	3,238	2,684	1,894	1,935
Exceptional Items	-	-	120	-	-
Tax	776	837	621	557	598
PAT	2,187	2,402	1,943	1,337	1,337
<i>PAT Margins (%)</i>	<i>7.33%</i>	<i>9.86%</i>	<i>8.94%</i>	<i>6.24%</i>	<i>6.67%</i>

- The last audited accounts of the company shall also be provided unless this has already been provided to the employee in connection with a previous option:

3. Risk Factors:

- Management perception of the risk factors for the company (i.e., sensitivity to foreign exchange rate fluctuations, difficulty in availability of raw materials or in marketing of products, cost/time overrun etc.):
- Financial risk management:

The Company's principal financial liabilities, comprise of deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. Further, the Company has financial risk / exposure of financial guarantees given to the banks towards security against the loans taken by its subsidiaries, however, considering that there is no expected credit losses, there is no financial liability as at the yearend on this account. The Company's principal financial assets include investments, loans, trade and other receivables, cash and



cash equivalents and other bank balances that are derived directly from its operations. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

- **Market risk (Macro Economic risk)**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

- **Foreign Currency Sensitivity and forward foreign exchanges contracts**

The Company is mainly exposed to USD, EURO, GBP and AUD which is sensitive to reasonably possible change in respective exchange rates, with all other variables held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates and takes decision accordingly.

Interest rate

It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises mainly of interest-bearing deposits with dealers, however, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.



- Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

- Liquidity risk

It is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

4. Continuing disclosure requirement:

- The option grantee shall be provided copies of all documents that are sent to the members of the company. This shall include the annual accounts of the company as well as notices of meetings and the accompanying explanatory statements.



PART C
SALIENT FEATURES OF THE SCHEME

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1. NAME, OBJECTIVE AND TERM OF THE SCHEME

- 1.1 This Scheme shall be called '**SHEELA FOAM - Employees Stock Option Plan 2022**' ('**SF ESOP - 2022**').
- 1.2 The objective of SF ESOP – 2022 is to reward the eligible and potential Employees of the Company and its Holding Company or its Subsidiary Company(ies)/Group Company(ies)/Associate Company(ies) in India and/ or outside India for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talents in the organization. The Company views Employee Stock Options as a means that would enable the Employees to get a share in the value they create for the Company in future.
- 1.3 SF ESOP – 2022 will be effective on approval by the shareholders by the way of Special Resolution passed on annual general meeting as on 18th Aug , 2022 and shall continue to be in force until (i) its termination by the Board, or(ii) the date on which all of the Employee Stock Options available for issuance under the SF ESOP – 2022 have been issued and exercised, whichever is earlier.
- 1.4 The Board of Directors or the Committee as authorized may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the SF ESOP – 2022.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

- I. "**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- II. "**Applicable Law**" means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, Securities and Exchange Board of India Act, 1992, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any recognized Stock Exchange on which the Shares are listed or quoted;
- III. "**Associate Company**" means a company (present or future) which shall have the same meaning as defined under section 2(6) of the Companies Act, 2013 (18 of 2013);
- IV. "**Board**" means the Board of Directors of the Company.



- V. **“Cause”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard:
- (i) dishonest statements or acts of an Employee, with respect to the Company;
 - (ii) a felony or any misdemeanor involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;
 - (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
 - (iv) breach by the Employee of any terms of his employment agreement or the Company’s policies or other documents or directions of Company including the reasons of non-performance;
 - (v) participating or abetting a strike in contravention of any law for the time being in force;
 - (vi) Misconduct as provided under the labour laws after following the principles of natural justice;
- VI. **“Committee”** means Nomination and Remuneration Committee of the Board as constituted in accordance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and shall also constitute and acts as the Compensation Committee for the purposes of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- VII. **“Companies Act”** means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof;
- VIII. **“Company”** means Sheela Foam Limited ;
- IX. **“Control”** shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- X. **“Director”** shall have the same meaning as defined under section 2(34) of the Companies Act, 2013 (18 of 2013);



- XI. **"Emergency"** means a situation wherein the trust is in need of funds to meet the commitment(s) arising out of the objective(s) of the scheme;
- XII. **"Employee"** means —
- (i) an employee as designated by the company, who is exclusively working in India or outside India; or
 - (ii) a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
 - (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the 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 anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company;
- XIII. **"Employee Stock Option"** means the option given to an employee which gives such an employee a right to purchase or subscribe at a future date, the shares offered by the company, directly or indirectly, at a pre-determined price;
- XIV. **"Employee Stock Option Scheme or ESOS"** means a scheme under which a company grants employee stock options to employees directly or through a trust;
- XV. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Committee for granting the Employee Stock Options to the employees;
- XVI. **"SF ESOP – 2022"** means Employees Stock Option Plan/Scheme under which the Company is authorized to grant Employee Stock Options to the Employees.
- XVII. **"Equity Shares"** means fully paid-up Equity Shares of the Company of face value of Rs. 5/- (Rupees Five) each;
- XVIII. **"Exercise"** means making of an application by an employee to the company or to the trust for issue of shares or appreciation in form of cash, as the case may be, against vested options in pursuance of the schemes;



- XIX. **"Exercise Period"** means the time period after vesting within which an employee can exercise his/her right to apply for shares against the vested option in pursuance of the scheme;
- XX. **"Exercise Price"** means the price, if any, payable by an employee for exercising the option granted to such an employee in pursuance of the schemes;
- XXI. **"Fair Value of the Option"** means the value computed in respect of the Options granted based on the date of grant by use of mathematical/ statistical model such as Black Scholes;
- XXII. **"General Meeting"** means an annual general meeting or an extraordinary general meeting held by the Company in compliance with the Companies Act, 2013;
- XXIII. **"Grant"** means the process by which the company issues options, shares or any other benefits under ESOP - 2022;
- XXIV. **"Grant Date"** means the date on which the compensation committee approves the grant. For accounting purposes, the grant date will be determined in accordance with applicable accounting standards;
- XXV. **"Grantee"** means an Employee who receives an offer of Options from the Company or the Committee under the Scheme.
- XXVI. **"Group"** means two or more companies (present or future) which, directly or indirectly, are in a position to—
- (i) exercise twenty-six per cent. or more of the voting rights in the other company; or
 - (ii) appoint more than fifty per cent. of the members of the Board of Directors in the other company; or
 - (iii) control the management or affairs of the other company;
- XXVII. **"Holding Company"** means a holding company (present or future) as defined in sub-section (46) of section 2 of the Companies Act, 2013.
- XXVIII. **"ICAI"** means the Institute of Chartered Accountants of India;
- XXIX. **"Insider"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- XXX. **"Independent Director"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- XXXI. **"Key Managerial Personnel"** shall have the same meaning as defined under section 2(51) of the Companies Act, 2013 (18 of 2013);
- XXXII. **"Long Leave"** means a sanctioned leave in excess of 60 days without break;
- XXXIII. **"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 relevant date. If such shares are listed on more than one recognized stock exchange, then the closing price on the recognized stock exchange having higher trading volume shall be considered as the market price;
- XXXIV. **"Option"** means Employee Stock Option within the meaning of this Scheme;
- XXXV. **"Option Grantee"** means an employee having a right but not an obligation to exercise an option in pursuance of an ESOS;
- XXXVI. **"Permanent Disability or permanent incapacity"** means any incapacity 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/ Committee based on a certificate of a medical expert identified by the Company;
- XXXVII. **"Promoter"** shall have the same meaning as assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- XXXVIII. **"Promoter Group"** shall have the same meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- XXXIX. **"Recognized Stock Exchange"** means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);
- XL. **"Relative"** shall have the same meaning as defined under section 2(77) of the Companies Act, 2013 (18 of 2013);
- XLI. **"Relevant Date"** means -



a. in the case of grant, the date of the meeting of the compensation committee on which the grant is made; or

b. in the case of exercise, the date on which the notice of exercise is given to the company or to the trust by the employee;

XLII. **"Retirement"** means retirement as per the rules of the Company.

XLIII. **"Scheme"** means SHEELA FOAM Employees Stock Option Plan - 2022;

XLIV. **"Securities"** means securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

XLV. **"Secretarial Auditor"** means a company secretary in practice appointed by a company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

XLVI. **"SEBI"** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992;

XLVII. **"SEBI (SBEB and Sweat Equity) Regulations"** means Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. as amended and reenacted from time to time and includes any clarifications or circulars issued thereunder;

XLVIII. **"Shares"** means Equity Shares of the Company within the meaning of this Scheme;

XLIX. **"Subsidiary"** means a subsidiary of the Company (present or future) as per the definition under Section 2 (87) of the Companies Act, 2013;

L. **"Unvested Option"** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option;

LI. **"Vesting"** means the process by which the employee becomes entitled to receive the benefit of a grant made to him/her under any of the schemes;

LII. **"Vesting Condition"** means any condition subject to which the Options granted would vest in an Option Grantee;

LIII. **"Vesting Period"** means the period during which the vesting of option granted under any of the schemes takes place;



LIV. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.

2.2 Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) reference to Company shall refer to the Company and / or Holding Company, Group Company, Associate Company or its Subsidiary Company where the contexts so requires, in case Options are granted to the employees of Holding Company or its subsidiary Company in future.

Words and expressions used and not defined in these regulations but defined in the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, 2013 (18 of 2013) and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislations.

3. AUTHORITY

- 3.1 On passing the special resolution dated 18th Aug 2022, the Company shall be authorized by the shareholders to issue to the Employees under SF ESOP - 2022, not exceeding 2,400,000 (Twenty four lakhs) Employee Stock Options convertible into not more than 2,400,000 (Twenty four Lakhs) Shares of face value of Rs. 5/- (Rupees Five) each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such issue. Further the maximum number of options to be granted per employee per grant and in aggregate shall not exceed 2,400,000 (Twenty-four Lakhs).
- 3.2 The maximum number of Options that shall be granted to any specific identified Employee(s) of the Company or of its Holding, Group Company, Associate Company or its Subsidiary Company under SF ESOP - 2022, in any financial year and in aggregate under the SF ESOP 2022 shall not be equal to or exceeding 1% of the issued Capital (excluding outstanding warrants and conversions) of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect



is not obtained. The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time.

- 3.3 If an Employee Stock Option expires, lapsed, cancelled, surrendered or becomes un-exercisable due to any reason/s, it shall be brought back to the Employee Stock Options pool and shall become available for future grants, subject to compliance with the provisions of the Applicable Laws.
- 3.4 Where Shares are allotted consequent upon Exercise of an Employee Stock Option under the SF ESOP - 2022, the maximum number of Shares that can be allotted under SF ESOP - 2022 as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.
- 3.5 In case of a Share split, merger, demerger, scheme of arrangement, amalgamation, sale of division, consolidation, rights issues, bonus issues and other corporate actions, if the revised face value of an Equity Share is less or more, as the case may be, than the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares available under SF ESOP – 2022 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares x face value per Share) prior to such split or consolidation remains unchanged after such split or consolidation.

4. ADMINISTRATION

- 4.1 The SF ESOP – 2022 shall be administered by the Board or by the Committee as may be authorized by the Board. All questions of interpretation of the SF ESOP – 2022 shall be determined by the Board/ Compensation/ NRC Committee and such determination shall be final and binding upon all persons having an interest in the SF ESOP - 2022.
- 4.2 The Board/Compensation/ NRC Committee shall in accordance with this Scheme and Applicable Laws determine the following:
- a. the quantum of options, shares or benefits as the case may be, per employee and in aggregate under a scheme;
 - b. the kind of benefits to be granted under this scheme;
 - c. the conditions under which options, shares or other benefits as the case may be, may vest in employees and may lapse in case of termination of employment for misconduct;
 - d. the exercise period within which the employee can exercise the options and that options would lapse on failure to exercise the same within the exercise period;
 - e. the specified time period within which the employee shall exercise the vested options or in the event of termination or resignation;
 - f. the right of an employee to exercise all the options, as the case may be, vested in him at one time or at various points of time within the exercise period;



g. the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division, buy-back, scheme of arrangement and others. In this regard, the following shall, inter alia, be taken into consideration by the compensation committee:

- i. the number and price of options shall be adjusted in a manner such that total value to the employee of the options remains the same after the corporate action;
- ii. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options;
- h. the grant, vesting and exercise of shares, options or in case of employees who are on long leave;
- i. eligibility to avail benefits under this scheme in case of employees who are on long leave;
- j. the procedure for funding the exercise of options; and
- k. the procedure for buy-back of specified securities issued under these regulations, if to be undertaken at any time by the company, and the applicable terms and conditions, including:
 - (i) permissible sources of financing for buy-back;
 - (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and
 - (iii) limits upon quantum of specified securities that the company may buy-back in financial year.
- l. shall frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the trust, the company and its employees, as may be applicable

- 4.3 Approve forms, writings and/or agreements for use in pursuance of the SF ESOP - 2022. The Board/Compensation/ NRC Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including 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 the Securities Market) Regulations, 2003 by the Company and its Employees, as applicable.

5. ELIGIBILITY AND APPLICABILITY

- 5.1 Only Employees within the meaning of this Scheme are eligible for being granted Stock Options under SF ESOP - 2022. The specific Employees to whom the Stock Options would be granted and their Eligibility Criteria would be determined by the Board/Compensation / NRC Committee.



- 5.2 The Scheme shall be applicable to the Company and any successor Company thereof, Holding Company, Associate Company, Group Company or Subsidiary Companies and may be granted to the Employees and Directors of the Company, of the Holding Company, Associate Company, Group Company or its Subsidiary Company, as determined by the Board/Compensation / NRC Committee at its own discretion.

Provided that in case of any Grant of Option to the Employees of Holding, Associate Company, Group Company or its Subsidiary Company, prior approval of the Shareholders shall be obtained as per provisions of the Applicable Laws.

Further, where such employee is a director nominated by an institution as its representative on the Board of Directors of the company –

(i) the contract or agreement entered into between the institution nominating its employee as the director of a company and the director so appointed shall, *inter alia*, specify the following: -

- a. whether the grants by the company under its scheme(s) can be accepted by the said employee in his capacity as director of the company;
- b. that grant if made to the director, shall not be renounced in favour of the nominating institution; and
- c. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the director from the company.

(ii) the institution nominating its employee as a director of the company shall file a copy of the contract or agreement with the said company, which shall, in turn file the copy with all the recognized stock exchanges on which its shares are listed.

(iii) the director so appointed shall furnish a copy of the contract or agreement at the first board meeting of the company attended by him after his nomination.

6. VESTING SCHEDULE AND VESTING CONDITIONS

- 6.1 The options granted shall vest so long as an employee continues to be in the employment of the Company or the Holding Company, Associate Company, Group Company or its Subsidiary Company as the case may be. The 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 01(one) year.
- 6.2 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.
- 6.3 Options shall vest essentially based on continuation of employment and apart from that the Board or Compensation/ NRC Committee may prescribe other performance / other condition(s) for vesting. The vesting may occur in tranches or otherwise.



- 6.4 Options granted under SF ESOP – 2022 would vest subject to maximum period of 5 (five) years from the date of respective grant of such options.
- 6.5 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.

7. EXERCISE

7.1 Exercise Price:

- (a) The Exercise Price shall be as may be decided by the Compensation / NRC Committee as is allowed under the SEBI (SBEB and Sweat Equity) Regulations which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of employees for options granted on same / different dates.
- (b) drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Compensation / NRC Committee may decide.
- (c) No amount shall be payable by the option grantee at the time of grant.
- (d) Notwithstanding anything contained hereinabove, amount paid/payable, if any, by the employee at the time of the grant, vesting or exercise of the options will be forfeited if the employee does not exercise the same within the exercise period.

7.2 Exercise Period:

(a) While in employment:

- (i) The Exercise period shall not be more than 5 (five) years from the date of respective 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 Compensation / NRC Committee from time to time.
- (ii) The Vested options shall be exercisable by the employees by a written application (or by electronic means through a software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period.



(b) Exercise Period in case of separations:

Options can be exercised as per provisions outlined below*:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With cause like fraud, misconduct etc.)	All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Termination (Without cause)	All Vested Options which were not allotted at the time of such termination may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
4	Retirement or early Retirement approved by Company	All vested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.
5	Death	All Vested options, granted under a scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be and such options may be exercised by the	All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of Death.



Sr. No.	Separations	Vested Options	Unvested Options
		Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.	
6	Permanent Disability	All Vested options, granted to him/her under a scheme as on the date of permanent incapacitation shall vest in him/her on that day and such options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.
7	Abandonment**	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	Any other reason not specified above	The NRC / Compensation Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

* In case of any regulatory changes warranting any change in vesting schedule/conditions/exercise period in any of the above separation conditions, the provision of such change shall apply.

** The Board/Compensation/NRC Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned. Provided that, in accordance with applicable laws, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of the ESOP - 2022, in any manner which may be detrimental to the interests of the Employees.



- 7.3 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.
- 7.4 In the event that an employee who has been granted benefits under a scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the vesting or exercise, the treatment of options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the employee.
- 7.5 The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

8. LOCK-IN

- 8.1 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. However, the Board or the Committee as may be authorized by the Board, may, in some cases, provide for lock-in of shares issued upon the exercise of Options.

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.

9. VARIATION OF TERMS OF THE SCHEMES

- 9.1 A company may by special resolution of its shareholders vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employees, if such variation is not prejudicial to the interests of the employees

Notwithstanding the provisions of Clause (6.1), a company shall be entitled to vary the terms of the scheme to meet any regulatory requirement without seeking shareholders' approval by special resolution.

- 9.2 The notice for passing a special resolution for variation of terms of the scheme shall disclose full details of the variation, the rationale therefor, and the details of the employees who are beneficiaries of such variation.



- 9.3 A company may reprice the options, or shares, as the case may be, 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 repricing is not detrimental to the interests of the employees and approval of the shareholders by a special resolution has been obtained for such repricing.

10. SURRENDER OF OPTIONS

- 10.1 An employee may surrender his/her vested /unvested options at any time during / post his employment with the company. Any employee willing to surrender his/her options shall communicate the same to the Board or Committee in writing. Thereafter the surrendered options shall be brought back to the Employee Stock Options pool and shall become available for future grants.

11. EXIT ROUTE IN CASE OF DE-LISTING

- 11.1 If the Company gets de-listed from all the recognized Stock Exchanges, then the Board shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

12. METHOD OF VALUATION

The Company will follow fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other requirements for accounting of the Stock options as are applicable to the Company for the same.

13. OTHER TERMS AND CONDITIONS

- 13.1 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a Shareholder in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted by the Company on exercise of such Employee Stock Option.
- 13.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 13.3 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.



- 13.4 If the Company issues bonus shares or rights shares, the Option Grantee shall not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with clause 4.2 of SF ESOP – 2022.
- 13.5 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions in table under Sub-clause 7.2(b) would apply.
- 13.6 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee, in which provisions in table under Sub-clause 7.2 (b) would apply.

Provided that, subject to applicable laws, the company may fund or permit the empaneled stockbrokers to make suitable arrangements to fund the employee for payment of exercise price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to exercise of options granted under the SF ESOP - 2022 and such amount shall be adjusted against the sale proceeds of some or all the shares of such employee.

Subject to the provisions of applicable law, including the Companies Act, 2013, the Company may at its sole discretion provide financial assistance to the Employees of such amounts and on such terms as may be deemed fit, to enable them to Exercise the Options.

14. TAXATION

- 14.1 The liability of paying taxes, if any, in respect of Employee Stock Options granted pursuant to this Scheme and the Shares issued pursuant to exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued there under and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.
- 14.2 The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 14.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.



15. AUTHORITY TO VARY TERMS

- 15.1 The Board/ Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the SF ESOP - 2022, subject to compliance with the Applicable Laws and Regulations.

16. MISCELLANEOUS

16.1 Government Regulations

The SF ESOP – 2022 shall be subject to all Applicable Laws to the extent applicable. The Grant of Options and allotment of Shares to the Employees under this SF ESOP – 2022 shall be subject to the Company requiring the Employees to comply with all Applicable Laws. Further, company will comply with all the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (referred to as “SEBI LODR”) Regulations, 2015 and amendment made thereof.

16.2 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 allotment and issuance of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of such inability.

- 16.3 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or shall in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Employee Stock Option on any other occasion.

- 16.4 The rights granted to an Option Grantee upon the grant of an Employee Stock 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 the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

- 16.5 The Option Grantee 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 Employee Stock Option in whole or in part.

- 16.6 Participation in SF ESOP – 2022 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Employee alone.



17. INSIDER TRADING ETC.

The Employee shall ensure that there is no violation of:

- a. SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and
- b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
- c. Any other regulations to prevent fraudulent or harmful practices relating to the Securities Market.

The Employee shall keep the Company, the Board, the Committee fully indemnified in respect of any liability arising for violation of the above provisions.

18. ACCOUNTING AND DISCLOSURES

- 18.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI (SBEB and Sweat Equity) Regulations as well as section 133 of the Companies Act, 2013 (18 of 2013) , 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.
- 18.2 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 SF ESOP – 2022 in a format as prescribed under SEBI (SBEB and Sweat Equity) Regulations.
- 18.3 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 and Sweat Equity) Regulations or any other Applicable Laws as in force.

19. CERTIFICATE FROM SECRETARIAL AUDITORS

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the secretarial auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

20. GOVERNING LAWS

- 20.1 The terms and conditions of the SF ESOP – 2022 shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.



20.2 Foreign Exchange Laws

In case any Employee Stock Options are granted to any Employee being resident outside India belonging to the Company working outside India, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Employee Stock Options and allotment of Equity Shares thereof.

21. NOTICES

21.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this SF ESOP – 2022 shall be in writing or electronic mode. The communications shall be made by the Company in any one or more of the following ways:

- (i) Sending communication(s) to the address of the Option Grantee available in the records of the Company; or
- (ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
- (iii) Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the prospective /existing Option Grantee during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

21.2 Any communication to be given by an Option Grantee to the Company in respect of SF ESOP – 2022 shall be sent to the person at the address mentioned below or e - mailed at:

Designation : Md Iquebal Ahmad
Address : #14, Sleepwell tower , sector 135 , Noida - 201301
Email : iquebal.ahmad@sheelafoam.com

22. JURISDICTION

22.1 The Courts/National Company Law Tribunal, as the case may be, in Delhi, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this SF ESOP - 2022.

22.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this SF ESOP - 2022:

- (i) in any other court of competent jurisdiction; or
- (ii) Concurrently in more than one jurisdiction.



23. SEVERABILITY

In the event any one or more of the provisions contained in this Scheme shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Scheme in which case the Scheme shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Scheme shall be carried out as nearly as possible according to its original intent and terms.

24. CONFIDENTIALITY

- 24.1 An Option Grantee must keep the details of the SF ESOP- 2022 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause on confidentiality, all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.
- 24.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Scheme or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.

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