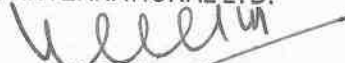


RUBFILA INTERNATIONAL LIMITED

Employee Stock Option Scheme 2017

For RUBFILA INTERNATIONAL LTD.



G. KRISHNA KUMAR
Managing Director

RUBFILA INTERNATIONAL LIMITED

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RUBFILA INTERNATIONAL LIMITED

1 Name, Objective and Term of the RUBFILA ESOS 2017

1.1 This Scheme shall be called the "Rubfila International Limited – Employee Stock Option Scheme 2017 (RUBFILA ESOS 2017)"

1.2 Rubfila International Limited (RIL) wishes to bring about employee participation in the growth and prospects of the company. The Company has therefore decided to issue options to its Employees with an objective to retain and reward talented Employees within the Company. The RUBFILA ESOS 2017 envisages extending an option to the employees who have completed continuous service of at least 5 (five) years on a pre-determined date to acquire shares of Rubfila International Limited, at a pre-determined price, as a way of employee compensation in recognition of their contribution to the overall performance, making them owners of the Company by virtue of such shareholding and as an incentive for higher performance levels. The Company views equity-based compensation plans as an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation plans.

This document is not in the nature of a legal contract and the same needs to be understood in common commercial parlance. The existence of this document is not intended to create any obligation on the part of the Company or its Board of Directors.

1.3 The RUBFILA ESOS 2017 is established with effect from date of passing of Special Resolution in the General Meeting of the Company and shall continue to be in force until:

- (i) subject to applicable laws, its termination by the Board / Compensation and Remuneration Committee (hereinafter will be referred as the Compensation and Remuneration Committee of the Board); or
- (ii) the date on which all of the Options available for issuance under the RUBFILA ESOS 2017 have been issued and Exercised.

2 Definitions and Interpretation

2.1 Definitions

- (a) "Agreement" means the employee agreement between the Company and the Employee evidencing the terms and conditions of the Options granted. The Agreement is subject to the conditions of RUBFILA ESOS 2017.
- (b) "Applicable Law" means every law relating to equity-based compensation plan, including, without limitation to, the Companies Act, 2013 and includes any statutory modifications or re-enactments thereof, Securities Exchange Board of India Act, 1992, the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any Stock Exchange on which the shares are listed or quoted.
- (c) "Board" means the Board of Directors of the Company.

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- (d) "Change in Control" shall mean an Ownership Change Event or a series of related Ownership Change Events (collectively, a "Transaction") wherein the new investor of the Company immediately after the Transaction obtain (a) ownership (whether direct or otherwise) of fifty percent (50%) or more of the equity share capital of the Company or holding voting capital, or the like of the Company by contract or otherwise; or (b) control of, or power to control the composition of, the board of directors or equivalent or analogous body of the Company, and "controlling" and "controlled" will have corresponding meanings."

For the purpose of this definition

An "Ownership Change Event" shall be deemed to have occurred if any of the following occur with respect to the Company:

- (i) the direct or indirect sale by the shareholders of the Company of more than fifty percent (50%) of their voting shares of the Company;
 - (ii) a sale, merger, spin-off, exchange, or transfer of all or substantially all of the assets of the Company; or
 - (iii) a liquidation or dissolution of the Company
- (e) "Companies Act" means the Companies Act, 2013 along with the Rules thereto and includes any statutory modifications or re-enactments thereof.
- (f) "Company" means Rubfila International Limited, a Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at "NIDA, Menon Para Road, Kanjikode, Palakkad, Kerala - 678621".
- (g) "Company Policies/Terms of Employment" means the Company's policies for the Employees and the terms of employment as contained in the employment letter issued to the Employee at time of joining the employment and the Company's employee handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.
- (h) "Compensation and Remuneration Committee" or "Compensation Committee" means the Nomination and Remuneration Committee of the Board of Directors formed within the meaning of the Companies Act, 2013 and entrusted, inter alia, with the authority to formulate and implement this ESOS- 2017.
- (i) "Director" means a member of the Board of the Company.
- (j) "RUBFILA ESOS 2017" means this Employee Stock Option Scheme 2017 under which the Company is authorized to grant Employee Stock Options or Options to the Employees.
- (k) "Eligibility Criteria" means the criteria as may be determined from time to time by the Compensation and Remuneration Committee for granting the Employee Stock Options to the Employees.

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- (l) "Employee" means (i) a permanent employee of the Company working in India or outside India; or (ii) a director of the Company, whether whole time director or not, but excludes- an employee who is a Promoter or belongs to the Promoter Group;
- a) 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
 - b) an independent director within the meaning of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as prescribed by Securities Exchange Board of India (SEBI), as applicable;

Notwithstanding anything contained herein, the Compensation and Remuneration Committee in consultation with the Board may recommend such other Employee as eligible for grant of Options in accordance with the provisions contained herein.

- (m) "Employee Stock Option" or "Options" means the option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the shares underlying the option at a pre-determined price.
- (n) "Exercise" of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of this RUBFILA ESOS 2017, in accordance with the procedure laid down by the Company for Exercise of options.
- (o) "Exercise Period" means such time period after Vesting within which the Employee should Exercise the Options vested in him in pursuance of this RUBFILA ESOS 2017.
- (p) "Exercise Price" means the price payable by the Employee in order to Exercise the Options granted to him as defined in Clause 8(a) of this RUBFILA ESOS 2017.

"Grant Letter" - means the letter issued by the Company intimating the Eligible Employee of the Options Granted to him/her for acquiring a specified number of Shares at the Exercise Price.

"Long Leave"- means continuous leave taken by the Eligible Employee in excess of 60 days.

- (q) "Fair Market Price" means the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the date of the meeting of the Compensation and remuneration Committee in which options are granted.
- (r) "Grant" means the process by which the Company issues Options to the Employees under the RUBFILA ESOS 2017.

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- (s) "Grant Date/Date of grant" means the date of the meeting of the Compensation and Remuneration Committee in which grant of Options to the employees are approved.
- (t) "Option" means a right but not an obligation granted to an employee to apply for shares at a predetermined price, by Rubfila International Limited in pursuance of the RUBFILA ESOS 2017 as approved by the resolution of the General Body Meeting including any modification thereof subsequently, and governed by the terms and conditions mentioned in the Scheme.
- (u) "Option Grantee" means an Employee who has been granted an Employee Stock Option in pursuance of this RUBFILA ESOS 2017.
- (v) "Permanent Incapacity" means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Grantee from performing any specific job, work or task which the said Employee was capable of performing immediately before occurrence of such disability, as determined by the Compensation and Remuneration Committee based on a certificate of a medical expert identified by the Board.
- (w) "Primary Shares" means equity shares of the Company which are issued and allotted by the Company to the Option Grantee in pursuance of the RUBFILA ESOS 2017.
- (x) "Promoter" has the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (y) "Promoter Group" has the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- Provided where the Promoter or Promoter Group of a company is a body corporate, the promoters of that body corporate shall also be deemed to be Promoters of such company.
- (z) "Relevant Date" means:
- (i) in the case of Grant, the date of the meeting of the Compensation and Remuneration Committee on which the Grant is made; or
 - (ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Employee;
- (aa) "Retirement" means retirement as per the Company Policies/Terms of Employment.
- (bb) "SEBI Act" means the Securities & Exchange Board of India Act, 1992 as amended, and includes all regulations and clarifications issued there under.
- (cc) "SEBI SBEB Regulations" means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended and includes all regulations and clarifications issued there under.

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- (dd) "Shares" means equity shares of the Company arising out of the Exercise of Options granted under the RUBFILA ESOS 2017.
- (ee) "Stock Exchange" means the BSE Limited (BSE), or any other stock exchange in India on which the Company's Shares are listed
- (ff) "Unvested Options" 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 Options.
- (gg) "Vest" or "Vesting" means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of this RUBFILA ESOS 2017.
- (hh) "Vesting Condition" means the conditions subject to which the Options granted would vest in an Option Grantee.
- (ii) "Vesting Period" means the period during which the vesting of the Options granted to the Option Grantees in pursuance of this RUBFILA ESOS 2017 takes place.
- (jj) "Vested Options" means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the rights.

2.2 Interpretation

In this RUBFILA ESOS 2017, unless the contrary intention appears:

- i. the clause headings are for ease of reference only and shall not be relevant to interpretation;
- ii. a reference to a clause number is a reference to its sub-clauses;
- iii. words in singular number include the plural and vice versa;
- iv. words importing a gender include any other gender; and
- v. a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- vi. All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities and Exchange Board of India Act, 1992 or the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013, the Companies Act, 1956 (as applicable), SEBI Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Share Based Employee Benefits) Regulations, 2014 or any statutory modification or re-enactment thereof, as the case may be.

3 Authority and Ceiling

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- 3.1 The Shareholders vide their Special Resolution passed in the Annual General Meeting scheduled held on **15th September, 2017** have authorized the Board / Compensation and Remuneration Committee to issue/ grant in one or more tranches to the Employees, such number of Options under the RUBFILA ESOS 2017 as would be exercisable into not more than **15,00,000 (Fifteen Lakh only)** fully paid-up equity shares in the Company, in aggregate, of face value of Rs. 5/- (Rupees Five only) each, to be issued and allotted by the Company with each such Option conferring a right upon the Employees to apply for one Equity Share in the Company and on such terms and conditions, as may be determined by the Board in accordance with the provisions of this Plan, SEBI (SBEB) Regulations and in due compliance with other Applicable Laws and regulations.
- 3.2 The Compensation and Remuneration Committee, is empowered to formulate detailed terms and conditions of the ESOP Scheme, administer and supervise the same.
- 3.3 The Compensation and Remuneration Committee shall meet as required for the purpose of administering the ESOP Scheme.
- 3.4 The number of Options that may be offered to any specific Employee shall be lesser than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options under RUBFILA ESOS 2017.
- 3.5 If an Employee Stock Options expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws. The Compensation and Remuneration Committee will have powers to re-grant such Options.
- 3.6 Where Shares are issued consequent to an Exercise of an Option under the RUBFILA ESOS 2017, the maximum number of Shares that can be issued under RUBFILA ESOS 2017 as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.
- 3.7 In case of a share-split where the face value of the shares is reduced below Rs. 5/-, the maximum number of shares available for being granted under RUBFILA ESOS 2017 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such split remains unchanged after the share split.
- 3.8 In case of a consolidation where the face value of the shares is increased above Rs. 5/-, the maximum number of shares available for being granted under RUBFILA ESOS 2017 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such consolidation remains unchanged after the share consolidation.

4 Administration

- 4.1 This RUBFILA ESOS 2017 shall be administered by the Compensation and Remuneration Committee. All the functions relating to administration and superintendence of this RUBFILA ESOS 2017 shall stand vested with the Compensation and Remuneration Committee in which case the rights, powers, duties or liabilities of the Board to the extent delegated shall be discharged by the said Compensation and Remuneration Committee. All questions of interpretation of this RUBFILA ESOS 2017

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shall be determined by the Compensation and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in this RUBFILA ESOS 2017.

No member of the Committee shall be liable for any action or determination made in good faith pursuant to the RUBFILA ESOS 2017.

4.2 The Compensation and Remuneration Committee shall, in accordance with this ESOS 2017 and Applicable Laws, determine the following:

- a) The quantum of Employee Stock Options to be granted under this RUBFILA ESOS 2017 per Employee, subject to the ceiling as specified in Para 3.1;
- b) The Eligibility Criteria;
- c) the time when the Options are to be granted;
- d) the number of Options to be granted to each Option Grantee;
- e) the terms and conditions subject to which the Options granted would vest to the Option Grantee;
- f) the date of vesting of the Options granted;
- g) obtaining permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable to the ESOP Scheme;
- h) The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others. In this regard following shall be taken into consideration by the compensation committee –
 - (i) the number and the price of ESOP shall be adjusted in a manner such that total value of the ESOP remains the same after the corporate action.
 - (ii) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered.
 - (iii) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
- i) The procedure and terms for the Grant, Vest and Exercise of Options in case of Option Grantees who are on a long leave;
- j) To review the RUBFILA ESOS 2017 annually and recommend appropriate changes in the terms and conditions of the scheme, if any, to the Board of Directors. Changes would be recommended.
 - i) in case the current scheme does not fulfill the objectives set out for the scheme
 - ii) there are changes in legislation which need to be incorporated in the scheme

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- iii) such changes facilitate implementation of the scheme
- iv) such changes are for the welfare of the employees.
- k) Approve forms, writings and/or agreements for use in pursuance of this RUBFILA ESOS 2017
- l) Frame suitable policies and procedures to ensure that there is no violation of the securities laws, as amended from time to time, 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 Securities Market) Regulations, 2003 or any statutory modification or re-enactment of these regulations by the Company or any of its Employees, as applicable.

5 Eligibility and Applicability

- 5.1 Only Employees are eligible for being granted Employee Stock Options under RUBFILA ESOS 2017. The specific Employees to whom the Options would be granted and their eligibility criteria would be determined by the Compensation and Remuneration Committee at its sole discretion.
- 5.2 This RUBFILA ESOS 2017 shall be applicable to the Company and Options may be granted to the Employees, as determined by the Compensation and Remuneration Committee at its sole discretion.

6 Grant of Option

- 6.1 Options representing shares under RUBFILA ESOS 2017 will be offered in such period as may be notified by the Compensation and Remuneration Committee every year to the selected employees.
- 6.2 The Options would be granted directly by the Company in accordance with the provisions of the SEBI ESOP Guidelines.
- 6.3 The appraisal process for determining the eligibility of the Employees will be decided by the Compensation and Remuneration Committee from time to time. The employees would be granted options under the RUBFILA ESOS 2017 based on various parameters such as scale, designation, work performance, grades, period of service, annual fixed pay, Company's performance and such other parameters as may be decided by the Committee from time to time in its sole discretion.
- 6.4 The notice of eligibility for RUBFILA ESOS 2017 shall be given to each employee to whom an option is to be granted within a reasonable time after the date of such appraisal is made by the Compensation and Remuneration Committee. The Grant of the Options by the Committee to the employees shall be made in writing and communicated to the Employee by way of a notice in relation to such Grant (the "Grant letter"). Such a Grant shall state the number of Options Granted, the Vesting Conditions as determined by the Committee, the Vesting Period, the Exercise Price, the closing date of accepting the Grant, and any other terms and conditions in relation to the Options as may be specified by the Committee.
- 6.5 The employee shall communicate his/ her acceptance within such period from the date of offer as determined by the Compensation and Remuneration Committee, specifying

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the number of options accepted. If the employee does not communicate his acceptance within such period, the offer shall lapse.

6.6 No amount shall be paid by the Eligible Employee at the time of Grant of Options

7 Vesting Schedule / Conditions

7.1 Options granted under this RUBFILA ESOS 2017 would Vest after **One year** but not later than **Four years** from the date of grant of such Options as follows:

25% of the Options	1 year from the date of offer
25% of the Options	2 years from the date of offer
25% of the Options	3 years from the date of offer
Balance 25% of the Options	4 years from the date of offer

The Compensation and Remuneration committee reserves the right of revising the vesting period at its discretion for certain employees.

7.2 Vesting of Options would be subject to continued employment with the Company on the date of vesting.

The specific Vesting schedule and Vesting conditions subject to which Vesting would take place would be outlined in the document given to the Option Grantee at the time of Grant of Options.

Vesting of Options in case of Employees on long leave.

In the case any Eligible Employee is on long leave, the said employee may be eligible, at the discretion of the Compensation and Remuneration Committee, for grant of options notwithstanding the fact that he is on Long Leave at the time of grant of options. The said employee shall be treated as an employee at par with other Eligible Employees and all the provisions of the scheme shall be applicable to the said employee.

7.3 On the expiry of the vesting period, the employee has the option to convert the options into shares either in full or in tranches at any time during the exercise period.

8 Exercise

8.1 a) Exercise Price

The employee can exercise his right to convert the options into shares either in full or in stages by addressing a communication to the Compensation and Remuneration Committee. He/she has to mention the number of shares that he/she is willing to take under the Scheme

The Exercise Price shall be equal to the fair market price as on the date of vesting of the options or any other price as decided by the Compensation and Remuneration Committee and in no case shall be less than the face value of equity shares.

For RUBFILA INTERNATIONAL LTD.


G. KRISHNA KUMAR
Managing Director

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Payment of the Exercise Price or any amount under RUBFILA ESOS 2017, if any, shall be made by a demand draft drawn in favour of the Company or online payment / wire transfer of funds, or in such other manner as the Committee may permit.

b) Provisions relating to Exercise of Options

The Employee Stock Options granted may be Exercised by the Option Grantee at any time within the period determined by the Compensation and Remuneration Committee from time to time subject to a maximum period of thirty six (36) months from the date of Vesting of the respective Options. The Shares issued upon Exercise of Options shall be freely transferable and will not be subject to any lock - in period after such Exercise provided, however that the shares allotted on such Exercise cannot be sold for such period from the date of allotment in terms of Code of Conduct for Prevention of Insider Trading of the Company read with Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended or replaced from time to time or such other period as may be stipulated from time to time in terms of Company's Insider Trading Code of Conduct.

Fractional Shares

In the event of Exercise of Options resulting in fractional Shares, the Compensation Committee shall be entitled to round off the number of Shares to be issued to the nearest whole number.

The Options can be Exercised as per the provisions outlined in the table below:

		Vested*	Unvested*
1	While in employment	Can be Exercised within three months from the date of Vesting of Options.	The Options would continue to vest as per the original vesting schedule.
2	Resignation / Termination (other than due to misconduct or breach of company policies/terms of employment)	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee within three months from his last working day with the Company.	All Unvested Options as on the date of submission of resignation shall stand cancelled with effect from that date.
3	Termination due to misconduct or due to material breach of policies or the terms of employment	All the Vested Options which were not Exercised 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.
4	Retirement / Early Retirement approved by the Company	All Vested Options can be Exercised by the Option Grantee immediately after, but in no event	All Unvested Options will stand cancelled as on the date of such retirement, unless otherwise determined

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		later than three months from the date of such retirement.	by the Compensation and Remuneration Committee whose determination will be final and binding.
5	Death	All Vested Options may be Exercised by the Option Grantee's legal heir immediately after, but in no event later than three months from the date of Death.	All the Unvested Options as on the date of death shall vest immediately and may be Exercised by the Option Grantee's legal heir immediately after, but in no event later than three months from the date of Death.
6	Termination due to Permanent Incapacity	All Vested Options may be Exercised by the Option Grantee or, in case of his death, or inability to Exercise due to such Permanent Incapacity, by the legal heir, immediately after, but in no event later than three months from the date of such incapacity.	All the Unvested Options as on the date of such Permanent Incapacity shall vest immediately and can be Exercised by the Option Grantee or, in case of his death, or inability to Exercise due to such incapacity, the legal heir immediately after, but in no event later than three months from the date of termination of employment of the Option Grantee.
7	Other Reasons Apart from those mentioned above	The Compensation and Remuneration Committee will 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.

*Subject to the maximum Exercise period approved by the Shareholders of the Company from the date of vesting of Options.

c) Settlement of Exercised Options

The Options Exercised within the Exercise Period shall be settled by way of equity shares.

d) Lapse of Options

The Options not Exercised within the Exercise Period prescribed above shall lapse and the Option Grantee shall have no right over such lapsed or cancelled Options.

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e) Transferability of shares.

There will be no restriction on transferability of the Shares, which may be issued / allotted on Exercise of the Options Granted pursuant to this scheme. However the Options granted to the Eligible Employee shall not be transferred to any person.

f) Lock- in period

There will be no lock-in period in respect of the Shares, which may be issued / allotted on Exercise of the Options Granted pursuant to this scheme.

g) Change in Control

In the event of a Change in Control, the Compensation and Remuneration Committee may, at its sole discretion, adopt any method of settlement appropriate in its view for the Vested and Unvested Options, including but not limited to, immediate vesting and settlement of all grants by the Option Grantees, assumption by the entity acquiring the Company of all responsibility under this RUBFILA ESOS 2017 in a manner that is not detrimental for the Option Grantees; or cancellation of Unvested Options on condition that the acquiring company shall grant new benefits to the Option Grantees on terms no less favourable than the terms and conditions existing before the cancellation. The Compensation and Remuneration Committee's determination shall be final, binding, and conclusive. The Compensation and Remuneration Committee shall interpret this Clause in a manner it believes in its sole discretion to be consistent with the intent to place Option Grantees in substantially the same (or better) economic position as they would have had in the absence of such Change in Control.

9 Other Terms and Conditions

- 9.1 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 Options and becomes a registered holder of the Shares of the Company.
- 9.2 The Employee Stock Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 9.3 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise price or both would be made in accordance with Clause 4.2(h) of RUBFILA ESOS 2017.
- 9.4 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee or inability to Exercise due to Permanent Incapacity, in which case clause 8(b) would apply.

For RUBFILA INTERNATIONAL LTD.


G. KRISHNA KUMAR
Managing Director

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10 Incentive Plan

- a) Notwithstanding anything contained in any of the clauses in RUBFILA ESOS 2017 the board may on its discretion make arrangements for the incentive plan wherein the employees are granted options in lieu of their contributions to the company.
- b) The board shall in such arrangement take approval of the Compensation and Remuneration Committee.
- c) The Compensation and Remuneration Committee shall select the employees eligible for the incentive plan.
- d) The Compensation and Remuneration Committee shall decide on the number of options that will be granted to the eligible employees.
- e) The options granted under this clause be vested in the employees immediately after the options are accepted by the eligible employees.
- f) For the purposes of incentive plan, after the options are vested with the eligible employees all the other terms and conditions applicable to other options granted to the employees shall apply to these options mutatis-mutandis

11 Ranking of shares

- 11.1 The Shares issued to an Eligible Employee under this Scheme would rank pari-passu with the existing Shares of the Company save and except that such Shares shall carry the right to receive either the full dividend or a pro rata dividend (if any) from the date of allotment/transfer, as may be determined by the Board, declared for the financial year in which the new Shares are allotted/transferred.

12 Taxation

- a) The liability of paying tax including perquisite tax, if any, on the Options granted pursuant to this Scheme and the Shares transferred pursuant to Exercise of Options shall be entirely on the Eligible Employees who shall have received such Options and the Shares in question and shall be in accordance with the provisions of the Income-Tax Act, 1961 and the rules framed thereunder or any other taxing statute. In the event of any amendments or modifications to the provisions of the Income-tax Act, 1961 (including any re-enactment thereof) and/or the rules framed thereunder, as existing on the date of this Scheme, the Compensation and Remuneration Committee shall have the power to amend or modify this Scheme, without consent of the Eligible Employees or the Members, as the case may be, in order to ensure that the Company is in the same position as it would have been had the amendments or modifications to the Income Tax Act, 1961 and/or the rules framed thereunder not been made.
- b) In the event of any tax liability arising on account of the issue or allotment or transfer of the Shares to an Eligible Employee, the liability shall be that of the Eligible Employee alone. Accordingly, if any tax is payable by the Company, the same shall be paid by the Eligible Employee to the Company. Any amounts received towards such tax payment by the Company as the case may be shall

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be immediately passed on to the entity required to make the tax payment in question.

- c) All tax liabilities arising on the sale of the Shares by the Employee would require to be handled by the Employee alone.
- d) In the event of any tax liability arising on account of this Scheme, the Company shall have the right to deduct/recover the same from the Employee in any manner as the Company may deem fit.

13 Authority to vary terms

- 13.1 The Board/ Compensation and Remuneration Committee may, if it deems necessary, vary the terms of RUBFILA ESOS 2017, subject to compliance with the Applicable Laws and Regulations.

14 Miscellaneous

14.1 Government Regulations

This RUBFILA ESOS 2017 shall be subject to all Applicable Laws including any statutory modification(s) or re-enactment(s) thereof, and approvals from governmental authorities, if any, and to the extent required.

14.2 Inability to obtain approval

The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to grant the Options or issue Shares.

14.3 General Risks

Participation in this RUBFILA ESOS 2017 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone. The Option Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.

- 14.4 The grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any Employee and the Company give such Employee any right or entitlement to have an Option granted to him in respect of any number of shares or any expectation that an Option might be granted to him whether subject to any condition or at all.
- 14.5 Neither the existence of this RUBFILA ESOS 2017 nor the fact that an individual has on any occasion been granted an Option 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 RUBFILA ESOS 2017 or any future plan (s) by being granted an Option on any other occasion.

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14.6 The rights granted to an Option Grantee upon the grant of an Option shall not accord 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).

14.7 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 Option in whole or in part.

15 Notices

15.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this RUBFILA ESOS 2017 shall be in writing. 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 during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

15.2 Any communication to be given by an Option Grantee to the Company in respect of RUBFILA ESOS 2017 shall be sent to the officer at the address mentioned below:

Name: N. N. Parameswaran

Designation: Company Secretary & CFO

Address: NIDA, Menon Para Road, Kanjikode P. O., Palakkad, Kerala - 678621

Tel. No.: +91 491 2567261

Fax No.: +91 491 2567260

e-mail ID: mouly1984@gmail.com

16 Governing Law and Jurisdiction

16.1 The terms and conditions of the RUBFILA ESOS 2017 shall be governed by and construed in accordance with the laws of India.

16.2 The Courts in Kerala, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this RUBFILA ESOS 2017.

16.3 Nothing in this clause will however limit the right of the Company to bring proceedings against any Employee in connection with this RUBFILA ESOS 2017:

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

17 **Income Tax Rules**

The Income Tax Laws and Rules in force will be applicable.

18 **Severability**

In the event any one or more of the provisions contained in this RUBFILA ESOS 2017 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this RUBFILA ESOS 2017, but this RUBFILA ESOS 2017 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and this RUBFILA ESOS 2017 shall be carried out as nearly as possible according to its original terms and intent.

19 **Accounting Policy**

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI SBEB Regulations.

For the purpose of the above clause, "Market Price" means the latest available closing price on the Stock Exchange on which the shares of the Company are listed on the date immediately prior to the Relevant Date.

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.

20 **Certificate from Auditors**

The Board shall at each annual general meeting place before the Shareholders a certificate from the auditors of the Company that this RUBFILA ESOS 2017 has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

21 **Confidentiality**

- 21.1 Employees must keep the details of this RUBFILA ESOS 2017 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 or any third party. In case Option Grantee is found in breach of this confidentiality clause, the Company has undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-

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adherence to the provisions of this clause, the Compensation and Remuneration Committee will have the authority to deal with such cases as it may deem fit.

- 21.2 On acceptance of Grant, the Option Grantee agrees that the Company may be required to disclose information of the Option Grantee during the process of implementation of this RUBFILA ESOS 2017 or while availing services relating to ESOP consulting, advisory services or ESOP Management services and/ or any other such incidental services. The Option Grantee hereby accords his consent that such confidential information regarding his Options entitlements may be disclosed by the Company to its officers, professional advisors, agents and consultants on a need to know basis.

22 Arbitration

All disputes arising out of or in connection with this Scheme shall be exclusively and irrevocably referred to for arbitration to a single arbitrator to be appointed by the Company. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The place of Arbitration shall be Mumbai, India. The Parties agree to have their dispute resolved by fast track procedure specified in Section 29B of the Arbitration and Conciliation Act, 1996.

For RUBFILA INTERNATIONAL LTD.



G. KRISHNA KUMAR
Managing Director

1st June 2018

Certificate

We, the Statutory Auditors of M/s Rubfila International Limited (CIN L25199KL1993PLC007018) having its registered office at New Industrial Development Area, Menonpara road Kanjikode Palakkad Kerala 678621 India (hereinafter referred to as the company) hereby certify that "RUBFILA INTERNATIONAL LTD EMPLOYEE STOCK OPTION SCHEME 2017" or "RUBFILA ESOS 2017" is in compliance with the Requirements specified under the SEBI (Share Based Employee Benefits) Regulations, 2014 on the basis of the certified copy of the scheme received from the company as approved by the shareholders in the Annual General Meeting held on 15th September 2017 and the statement filed under regulation 10(b) of SEBI regulations.

This certificate is issued for the exclusive and limited use by the company for using it with the recognized stock exchanges where the equity shares of the company are listed. Further the certificate does not warrant advise or certify in any manner the information regarding all other aspects which are not under the preview of SEBI regulations.

For Cyriac & Associates
Chartered Accountants



Jim Cyriac
(Partner)
Membership No.:230039
Firm No.014033S

Thiruvananthapuram
01/06/2018

