SHARE SUBSCRIPTION AND SHAREHOLDERS AGREEMENT

DATED MARCH____, 2017

BY AND AMONG

AND

INVESTORS

AND

PROMOTERS

AND

ADVISOR (as a confirming party)[Note: Please confirm if advisors have been issued shares]
SHARE SUBSCRIPTION AND SHAREHOLDERS AGREEMENT

This SHARE SUBSCRIPTION AND SHAREHOLDERS’ AGREEMENT (the “Agreement”) is executed at on March_______, 2017 (“Effective Date”)

AMONGST

___________, a company incorporated under the laws of India, having its registered office at <Address> (hereinafter referred to as the “Company”, which expression shall, unless repugnant to the context or meaning thereof, mean and include its successors and permitted assigns);

AND

The investors, that are comprised of two groups ‘_____’ and ‘______’, as listed in Annexure A of this Agreement, with ‘_____’ being represented by Mr. [*] under a duly executed power of attorney dated [*] and CI being represented by Mr. [*] under a duly executed power of attorney dated [*] (hereinafter referred to individually as an “Investor” and collectively as “Investors” unless repugnant to the context or meaning thereof will include his heirs, executors, administrators and permitted assigns), represented by Mr. [*], a director/member of the Advisor (defined below), pursuant to power of attorney around the Effective Date;

AND

• __________, aged about [*] years, residing at <Address> (hereinafter referred to as “Promoter 1”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include his heirs, executors, legal representatives, administrators and permitted assigns);

AND

• __________, aged about [*] years, residing at <Address> (hereinafter referred to as “Promoter 2”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include her heirs, executors, legal representatives, administrators and permitted assigns);

AND

• __________, aged about [*] years, residing at <Address> (hereinafter referred to as “Promoter 3”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include his heirs, executors, legal representatives, administrators and permitted assigns);

(Promoter 1, Promoter 2 and Promoter 3 are hereinafter collectively referred to as the “Promoters”)

AND

• [*], aged about [*] years, residing at [*] (hereinafter referred to as the “Advisor” or “Confirming Party”, which expression shall, unless repugnant to the context or meaning thereof, mean and include its successors and permitted assigns); [Note: Please insert advisors’ details if they have been allotted shares]

The Company, the Promoters and the Investors are hereinafter collectively referred to as the “Parties”, and individually as a “Party”.

WHEREAS:

A. The Company is engaged in the business (the “Business”) of ______________

B. The authorized capital of the Company is Rs. 2,00,000 (Rupees Two Lakh only), divided into 20,000 Equity Shares of face value Rs. 10/- (Rupees Ten) each.

C. The issued and paid up share capital of the Company is Rs. 1,00,000 (Rupees One Lakh only), divided into 10,000 equity shares of face value Rs.10/- (Rupees Ten) each. The shareholding pattern of the Company as of the Effective Date (as defined below) is as set
D. The Company and the Promoters have requested the Investor to make investments in the Company by way of subscription to the share capital of the Company and have agreed to allot to the Investors __________ of the total issued and paid up capital of the Company on a Fully Diluted Basis (“Subscription Shares”) at a per share price of Rs. [*] (Rupees [*] only) (“Subscription Price”), aggregating to Rs. __________ Investment Amount).[Note: Please confirm if there is any change in the investment amount]

E. The Investors, relying on the representations and warranties of the Promoters and the Company, as set out hereinafter, on and subject to the terms and conditions contained herein, and in consideration of the rights to be provided to the Investors by the Company hereunder, agree to subscribe to the Subscription Shares.

F. The Parties are desirous of recording the terms and conditions of their agreement, including the inter se rights and obligations of the Parties in relation to the Investment, the management and operations of the Company and such other objectives or matters in connection therewith within this Agreement or as may be mutually agreed upon from time to time between them.

IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Agreement, unless the context otherwise requires, the following words and expressions shall bear the meanings ascribed to them below:

1.1.1. “Act” shall mean the Companies Act, 2013, as amended from time to time, and the Companies Act, 1956, to the extent applicable;

1.1.2. “Affiliate” shall mean any Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with a Party and shall include a subsidiary or a holding company of such Person, and, in case of a Party being a natural person, the Relative of such Party;

1.1.3. “Agreement” shall mean this Agreement and the Schedules to this Agreement;

1.1.4. “Applicable Law” shall mean any applicable national, provincial, local or other law, regulations, administrative orders, ordinance, constitution, decree, principles of common law, binding governmental policies, statute or treaty, and shall include notifications, guidelines, policies, directions, directive and orders of any Governmental Authority;

1.1.5. “Board” shall mean the board of Directors of the Company as constituted from time to time;

1.1.6. “Business Day” shall mean a day, not being a Saturday or a Sunday or which is not a public holiday in India;

1.1.7. “Cause” in respect of a Promoter shall mean and include:
   (a) a material act of dishonesty or fraud or other willful misconduct by the Promoter that is detrimental to the pecuniary interests, reputation or goodwill of the Company and its Affiliates;
   (b) the Promoter’s consistent failure to reasonably render the services and perform his duties or breach of any material obligation as provided in the employment agreement of the Promoter with the Company, which is not cured within 30 (thirty) days following the Promoter’s receipt of written notice thereof from the Company;
   (c) unethical business conduct in violation of the policies of the Company or any anti-corruption laws as applicable in India;
   (d) breach of any material statutory duty relevant to the Promoter’s role that, if capable of being cured and provided that such breach does not have a
material adverse effect on the Company, has not been cured within 30 (thirty) days of the date of notice of such breach;

(e) unauthorized material disclosure of any confidential information of the Company and its Affiliates;

(f) conviction for any criminal offence;

(g) committing of a material breach of: (A) this Agreement; or (B) the Company’s Articles of Association, and in both cases of (A) and (B) fails to remedy such breach (where it is possible to do so) within 20 (twenty) days after the date of a notice from the Company specifying the nature of the breach and requiring it to be remedied.

1.1.8. “CCPS” shall mean the Compulsory Convertible Preference Shares of the Company, having the terms and conditions specified in Annexure F of this Agreement;

1.1.9. “Change in Control” shall mean the occurrence of any of the following on or after the Closing Date: (i) an acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation, or sale of more than 50% of the outstanding equity share capital of the Company), or (ii) a sale of all or substantially all of the assets of the Company.

1.1.10. “Closing” shall mean the payment of the Investment Amount by the Investors, and the simultaneous issue and allotment of the Subscription Shares, as set out in Annexure B, to the respective Investors by the Company;

1.1.11. “Closing Date” shall mean the date on which the Closing takes place;

1.1.12. “Control”, “Controlling” or “Controlled” shall mean, with respect to any Person, the beneficial ownership of more than 50% (fifty percent) of the voting shares or securities of such entity or the power to control the majority of the composition of the board of directors of such entity or the power to direct the management or policies of such entity by contract or otherwise, whether (a) formal or informal; (b) having legal or equitable force or not; (c) whether based on legal or equitable rights; or (d) directly or indirectly, including through one or more other entities;

1.1.13. “Competing Business” shall mean any form of business entity that is engaged in the same business as the Company;

1.1.14. “Conversion Ratio” mean the ratio in which Equity Shares can be issued to the Investors upon the conversion of the CCPS held by them, in the manner specified under Annexure F to this Agreement;

1.1.15. “Damages” shall mean:

(a) Amounts paid in settlement, interest, court costs, costs of investigation, reasonable fees and expenses of attorneys, accountants, actuaries, and other experts, and other expenses of litigation or of any claim, default, or assessment;

(b) any and all monetary (or where the context so requires, monetary equivalent of) damages, fines, fees, penalties as applicable under Applicable Law, losses, and out-of-pocket expenses (including without limitation any liability imposed under any award, writ, order, judgment, decree or direction passed or made by any Person); and

(c) subject to Applicable Law, any punitive, or other exemplary or extra contractual damages payable or paid in respect of any contract;

1.1.16. “Director(s)” shall mean the director(s) as defined under the Act on the Board of Directors of the Company;

1.1.17. “Disclosure Letter” means the letter to be issued by the Company and the
Promoters to the Investors on or prior to the Effective Date (attached hereto as Annexure G to this Agreement), in which disclosures shall have been made by the Company and/or the Promoters against the representations and warranties of the Company and the Promoters contained in this Agreement;

1.1.18. “Employees” shall mean individuals who are the confirmed/permanent employees of the Company;

1.1.19. “Employment Agreements” shall mean the agreements entered into between the Promoters, Key Employees and the Company, as the case may be, in relation to their obligation to work with the Company;

1.1.20. “Encumbrance” in relation to the Shares, shall mean the creation or continued existence of any security interest, whether by way of pledge, mortgage, hypothecation, lien, charge (whether fixed or floating), deed of trust, assignment, or other encumbrance of whatsoever nature on such Sharesor conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law; (ii) any voting agreement, interest, option, right of first offer, first, last or other refusal right or transfer restriction in favour of any Person; (iii) any adverse claim as to title, possession or use; and (iv) any agreement, arrangement or obligation to create any of the foregoing, and “Encumber” shall be construed accordingly;

1.1.21. “ESOP” shall mean the employee stock option plan created by the Company after Closing Date, pursuant to Clause 12.1.4;

1.1.22. “Equity Shares” means equity shares in the issued, subscribed and paid up equity share capital of the Company having a face value of Rs. 10/- (Rupees Ten) each;

1.1.23. “FMV” means the fair market value determined pursuant to an independent valuation by investment banker(s) of international repute.

1.1.24. “Force Majeure” means, in relation to a Party, any act, event or circumstance beyond the reasonable control of that Party which affects its performance of its obligations under this Agreement including, but to fire, flood, explosion, war, riots, acts of Governmental Authorities or any events or circumstance analogous to the foregoing;

1.1.25. “Fully Diluted Basis” means that the relevant computation is made assuming that all outstanding convertible securities (whether or not by their terms then currently convertible, exercisable or exchangeable) share options, warrants, including but not limited to any outstanding commitments to issue shares at a future date, have been so converted, exercised or exchanged, and assuming that all stock options granted under the ESOP have been exercised and the Equity Shares have been issued and allotted pursuant to the ESOP;

1.1.26. “Governmental Authority (ies)” means:

(a) a government, whether foreign, federal, state, territorial or local which has or claims jurisdiction over the Company;

(b) a department, office or minister of a government acting in that capacity and shall include the Foreign Investment Promotion Board and the Reserve Bank of India; or

(c) a commission, agency, board or other governmental, semi-governmental, judicial, quasi-judicial administrative, monetary or fiscal authority, or a tribunal;

1.1.27. “Government Approvals” means all licences, consents, and approvals that are required under Applicable Law to be obtained from any statutory, regulatory, Governmental Authority, or administrative authority in order for any of the
obligations upon the Parties under this Agreement to be performed;

1.1.28. “Indebtedness” of any Person means all obligations of such Person (i) for borrowed money, (ii) evidenced by notes, bonds, debentures or similar instruments, (iii) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the ordinary course of business), (iv) under capital leases and (v) in the nature of guarantees of the obligations described in sub-clauses (i) through (iv) above of any other Person;

1.1.29. “Investment” means the transaction as contemplated by this Agreement whereby the Investors shall subscribe to and be allotted the Subscription Shares in consideration for their respective share of the Investment Amount as set out in Annexure B;

1.1.30. “Investor Shares” means the Shares of the Company held by the Investors, including the Subscription Shares, together with any rights and/or bonus shares which may at any time hereafter be issued by the Company and any other securities in the Company into which any of the above may be converted or for which they may be exchanged;

1.1.31. “Investor Director” means such person who is nominated to act as a Director on the Board by the Investors;

1.1.32. “IPO” shall mean the initial public offering of the Company whereby the Company’s Shares are listed and admitted for trading on the Stock Exchange(s) in accordance with this Agreement;

1.1.33. “IPO Target Date” refers to any time between March 31, 2022 to March 31, 2023, wherein the Investors may require the Company to undertake IPO;

1.1.34. “IP Rights” or “Intellectual Property Rights” shall mean all rights in and in relation to all intellectual property (“Intellectual Property(ies)”) subsisting in the products developed, being developed and/or proposed to be developed by the Company including, without limitation, all patents, patent applications, moral rights, trademarks, trade names, service marks, service names, brand names, internet domain names and sub-domains, inventions, processes, formulae, copyrights, business and product names, logos, slogans, trade secrets, industrial models, processes, designs, methodologies, computer programs (including all source codes), technical information, manufacturing, engineering and technical drawings, know-how and all pending applications for and registrations of patents, entity models, trademarks, service marks, copyrights and internet domain names and sub-domains;

1.1.35. “Key Person” shall mean individually, any of the Promoters as on the date of this Agreement, and thereafter, any such Person who is designated as such by the Board. The Promoters and any such Person who is designated as such by the Board shall collectively be referred to as “Key Persons”;

1.1.36. “Liquidation Event” shall mean occurrence of one or more of the following events:

(a) Any voluntary or involuntary dissolution, liquidation, or Winding Up of the affairs of the Company in accordance with Applicable Law;

(b) Sale of all or substantially all the Shares of the Company;

(c) Sale or license of all or substantially all of the assets or undertakings of the Company; or

(d) Any merger or consolidation, of the Company into or with any other company, corporation or body corporate, or acquisition, change of Control, consolidation, or other transaction or series of transactions in which the Shareholders of the Company (at the time of such merger or consolidation) will not hold or retain a majority of the voting power in the
surviving/resultant company, corporation or body corporate;

1.1.37. “Material Adverse Effect” means any state of facts, change, development, effect, condition or occurrence that (i) is adverse to the valuation, business, assets (including intangible assets), liabilities, properties (including intangible properties), operations, prospects, liabilities or condition (financial or otherwise) of the Company, or (ii) affects the ability of the Company and / or the Promoters to perform their respective obligations under this Agreement or to consummate the transactions contemplated by this Agreement, or (iii) affects the ability of the Company to carry on its business in the manner being currently carried on in all material respects;

1.1.38. “Memorandum” means the Memorandum of Association of the Company, as on the date of execution hereof and as may be amended from time to time;

1.1.39. “Person” means any natural person, limited or unlimited liability company, corporation, general partnership, limited partnership, proprietorship, trust, association, or other entity, enterprise, or business organisation;

1.1.40. “Promoter Shares” means the Equity Shares of the Company held by Promoters, together with any rights and/or bonus shares which may at any time hereafter be issued by the Company, and any other securities in the Company into which any of the above may be converted or for which they may be exchanged;

1.1.41. “Qualified IPO” means closing of an underwritten public offering of Equity Shares of the Company, approved by the Investors pursuant to the terms hereof, whereby the Equity Shares of the Company are listed and admitted for trading on any Stock Exchange at a final price which offers the Investors the Buyback Price (as defined in Clause 7.3.1 below);

1.1.42. “Related Party” has the meaning as provided in the Act;

1.1.43. “Related Party Transaction” shall mean all existing and future transactions with Related Parties, i.e., agreements or arrangements between the Company and the Promoters or Related Parties;

1.1.44. “Representations and Warranties” means the representations and warranties made/provided by the Promoters and the Company to the Investors, as contained in the Annexure D to this Agreement;

1.1.45. “Required Government Approvals” shall mean all licences, consents, and approvals that are required under Applicable Law to be obtained from any statutory, regulatory, Governmental Authority, or administrative authority in order for any of the obligations upon the Parties under this Agreement to be performed;

1.1.46. “Rupees” or “Rs.” or” INR.” shall mean the lawful currency of the Republic of India;

1.1.47. “Share(s)” means Equity Shares, preference shares and any other subscriptions, options, employee stock options, debentures, bonds, conversion rights, warrants or other securities convertible into or exchangeable for Equity Share in the share capital of the Company;

1.1.48. “Shareholders” shall mean the Promoters, the Investors (from the Closing Date) or any other Person holding shares in the Company and whose name is entered in the register of members of the Company;

1.1.49. “StockExchanges” means the National Stock Exchange, the Bombay Stock Exchange or such other exchanges, including international stock exchanges, as may be mutually agreed between the Promoters and the Investors from time to time;

1.1.50. “Strategic Sale” means sale of majority shareholding (>50%) of the Company for
cash or listed securities as approved by the Investors and such sale offers the Investors the Buyback Price (as defined in Clause 7.3.1 below);

1.1.51. “Tax” shall mean all taxes, duties including stamp duty, charges, fees, levies, cess or other similar assessments, including without limitation in relation to (i) income, services, gross receipts, ad valorem, premium, assets, professional, entry, capital gains, municipal, interest, expenditure, imports, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll, imposed by any state, local, or any sub-division, agency, or other similar Person in India, and (ii) any interest, fines, penalties, assessments, or additions to tax resulting from, attributable to, or incurred in connection with any such tax or any contest or dispute thereof;

1.1.52. “Third Party Interest” shall include any security interest, lease, license, option, voting arrangement, easement, covenant, notation, restriction, interest under any agreement, interest under any trust, or other right, equity, entitlement or other interest of any nature held by a third party; and

1.1.53. “Transfer” shall mean any sale, pledge, assignment, Encumbrance or other transfer or disposition of any Shares to any other Person, whether directly, indirectly, voluntarily, involuntarily, by operation of law, pursuant to judicial process or otherwise.

1.1.54. “Winding Up” shall mean the winding up, liquidation or dissolution of the Company, in accordance with Applicable Law.

1.2. Interpretation

Unless the context otherwise requires in this Agreement:

1.2.1. words importing persons or parties shall include firms and corporations and any organisations having legal capacity;

1.2.2. words importing the singular include the plural and vice versa where the context so requires;

1.2.3. reference to any law shall include such law as from time to time enacted amended, supplemented or re-enacted;

1.2.4. reference to any gender includes a reference to all other genders;

1.2.5. reference to the words “include” or “including” shall be construed without limitation;

1.2.6. reference to this Agreement or any other agreement, deed or other instrument or document shall be construed as a reference to such agreement, deed or other instrument or document as the same may from time to time be amended, varied supplemented or novated; and

1.2.7. the headings and titles in this Agreement are indicative only and shall not be deemed part thereof or be taken into consideration in the interpretation or construction hereof.

1.3. Other Definitions

In addition to the terms defined in this Clause 1, certain other terms are defined elsewhere in this Agreement and whenever such terms are used in this Agreement they shall have their respective defined meanings, unless the context expressly or by necessary implication otherwise requires. Provided that in the absence of a definition being provided for a term, word or phrase used in this Agreement, no meaning shall be assigned to such term, word, phrase which derogates or detracts from, in any way, the intent of this Agreement.

2. AGREEMENT FOR FUNDING
2.1. At the Closing (as more specifically described under this Agreement), the Company hereby agrees to issue to the Investors, and the Investors hereby agree, subject to fulfillment of the conditions precedent under Clause 4 to their satisfaction and based on their reliance on the Representations and Warranties provided by the Company and the Promoters, to subscribe to and acquire the Subscription Shares against the Investment Amount, free from all Third Party Interests and Encumbrances on the terms and conditions contained in this Agreement.

2.2. The Investment Amount shall be transferred, subject to the clauses of this Agreement, to the designated bank account of the Company ("Designated Bank Account"), details of which is given below:

Name of bank: [•]
Account name: [•]
Account number: [•]
IFSC Code: [•]

3. SHARE CAPITAL

3.1. The existing authorized share capital of the Company is Rs. 2,00,000/- (Rupees Two Lakh only) consisting of 20,000 (twenty thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each. The issued and paid up share capital of the Company is Rs. 1,00,000/- (Rupees One Lakh only) consisting of 10,000 (ten thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each.

3.2. The Company and the Promoters covenant, undertake, represent and warrant that the authorized, issued, subscribed and paid-up and outstanding Fully Diluted Share Capital of the Company and the shareholding pattern of the Company:

3.2.1. immediately prior to issue and allotment of the Subscription Shares on the Closing Date, shall be as set forth in Part A of Annexure C;

3.2.2. immediately upon issue and allotment of the Subscription Shares on the Closing Date, shall be as set forth in Part B of Annexure C.

4. CONDITIONS PRECEDENT TO CLOSING

4.1. The Investors will invest the Investment Amount upon the Promoters and the Company having satisfactorily (i) performed all their obligations and undertakings contained in this Agreement; and (ii) fulfilled, or having caused the fulfillment of, the following conditions precedent prior to the Closing (save and except those conditions whose compliance has been expressly waived in writing by the Investors) as may be applicable. The Company and the Promoters shall cause each such condition precedent to be fulfilled, in each case to the satisfaction of the Investors:

4.1.1. Representations and Warranties: The Company and the Promoters shall have certified that the Representations and Warranties and the certificates and documents delivered in connection with this Agreement shall be true and valid, when made and on and as of the Effective Date and the Closing Date and the Company and the Promoters shall have provided to the Investors a certificate to that effect on the Closing Date in the form and substance satisfactory to the Investors;

4.1.2. Shareholding Pattern: The Company and the Promoters shall have certified to the Investors that all loans or share application money furnished by the Promoters to the Company has been converted to Equity Shares, and that the shareholding pattern of the Company prior to the Closing Date and after the Closing Date is as set out in Annexure C;

4.1.3. No Material Adverse Effect: There shall not have occurred any Material Adverse Effect on Effective Date and during the period between Effective Date and the Closing Date;

4.1.4. Reclassifications of the Authorized Share Capital: The Company and the
Promoters shall have confirmed that they have undertaken the reclassification of the authorized share capital of the Company so as to accommodate the issue of the Subscription Shares, and shall have filed the relevant forms under the Act, with the jurisdictional Registrar of Companies;

4.1.5. **Increase of the Authorized Share Capital**: The Company and the Promoters shall have confirmed that they have undertaken the increase of the authorized share capital of the Company so as to accommodate the issue of the Subscription Shares, and shall have filed the relevant forms under the Act, with the jurisdictional Registrar of Companies;

4.1.6. **Further issue of Subscription Shares**: The Company shall have delivered to the Investors, the offer in the form and manner prescribed under the Act and the rules formed there under, in relation to the proposed issue of the Subscription Shares;

4.1.7. **Amended Articles of Association**: The Parties shall have mutually agreed on the form of the amended Articles of Association, reflecting the terms and conditions of this Agreement;

4.1.8. **Consents and Approvals**: The grant and continuance in force, to the satisfaction of the Investors, of all required Government Approvals, all corporate, creditor, shareholder, Board, third party and other approvals, permissions, licences, consents, registrations and authorisations required under Applicable Law or under any contract or otherwise:

(a) for permitting the Investors to subscribe to the Subscription Shares;

(b) to render this Agreement legal, valid, binding and enforceable; and

(c) to enable the Parties to this Agreement to perform all their obligations hereunder;

including the compliance by the Company with all conditions attaching to each such permission, licence, consent, registration and authorisation, and the provision to the Investors of certified true copies thereof.

4.1.9. **Key Employment Agreement**: The Company shall have executed employment agreements with the Promoters and senior management team. The employment agreements will include standard clauses like non-compete, non-solicitation, confidential information and invention/intellectual property assignment to the satisfaction of the Investors.

4.1.10. **Statutory Registers and Minutes Books**: The Company shall have furnished copies of the duly updated and signed minutes of the Board and Shareholders’ meetings and the duly updated statutory registers to the Investors.

4.1.11. **Disclosure by Director**: The Company shall have furnished to the Investors the copies Forms MBP-1 received from every Director for disclosure of their interest in any company or companies or bodies corporate, firms, or other association of individuals.

4.1.12. **Share Certificates**: The Company shall have furnished to the Investor the Share certificates in respect of the Shares issued by the Company.

4.1.13. **Website T&C**: The Company shall have posted and displayed on or through its Platform, or otherwise made available to the customers for their reference, the terms of use of the Platform and its privacy policy.

4.1.14. **Employee Stock Option**: The Company shall have created a pool of ESOPs convertible into Equity Shares under the ESOP Scheme (as defined below), up to a maximum of 12% (twelve percent) of the total issued and paid up share capital of the Company, on Fully Diluted Basis. For the purpose of this Clause, “ESOP Scheme” shall mean a scheme formulated by the Company in accordance with the Companies Act 2013, to offer ESOPs to the employees of the Company, from the
ESOP pool which shall be formulated by the Parties and approved by the Board.

4.1.15. **Promoter Loans:** The Company shall have furnished to the Investors (a) the details of the terms applicable to the loan availed by the Company from _____ as approved by the Board and a certified true copy of the relevant Board resolutions, and (b) a written confirmation and undertaking that no other loan shall be acquired by the Company.

4.1.16. **Advisor Agreements:** The Company shall have furnished to the Investors certified true copy of the documentation/agreement capturing the terms of engagement of the following advisors:

4.2. The Parties shall co-operate and provide all reasonable assistance, information, and documents required for satisfaction of the conditions precedent.

4.3. The Investors may in their absolute discretion waive (in whole or in part) any or all of the above conditions with respect to their respective Investments.

4.4. None of the Parties to this Agreement shall be entitled to rescind or terminate this Agreement after the Closing, except in the manner provided herein.

4.5. If any of the conditions precedent are not satisfied or waived within 60 (sixty) days from the date of execution of this Agreement (or such later date as may be mutually agreed between the Parties) ("Long Stop Date"), then the Investors shall have the right to either terminate this Agreement (in relation to its respective investment) or extend the time period for fulfilment of conditions precedent for such additional period as the Investors (as the case may be) deem fit. The Agreement shall stand terminated forthwith upon delivery of the notice of termination by the Investors and the Company shall refund all amounts received, if any, from the Investors (as the case may be) under this Agreement.

4.6. Immediately upon satisfaction of the last condition precedent applicable in respect of the Closing, the Promoters and the Company shall provide the Investors a certificate stating that all conditions precedent as listed above have been fully satisfied, together with detailed documentary evidence of such satisfaction ("CP Satisfaction Certificate").

5. **REPRESENTATIONS AND WARRANTIES**

5.1. Subject to the disclosures made in the Disclosure Letter, each of the Promoters and the Company, jointly and severally, represent and warrant to the Investors, the Representations and Warranties set forth in Annexure D to this Agreement, as may be applicable to each of the Promoters and Company. The Company and the Promoters hereby confirm that the Representations and Warranties are true and correct in all respects as on the Effective Date, updated as necessary, and be true and correct on the Closing Date, updated as necessary. The Company and the Promoters acknowledge that the Investors are entering into this Agreement relying solely upon such Representations and Warranties.

5.2. No information relating to the Company of which the Investors have knowledge (actual or constructive) or reason to believe or suspect, and no investigation by or on behalf of the Investors shall prejudice any claim made by the Investors under such Representations and Warranties or operate to reduce any amount recoverable by the Investors or any liability of the Promoters and the Company.

5.3. The rights and remedies of the Investors in respect of a breach of the Representations and Warranties shall not be affected by the Closing or by any investigation made by or on behalf of the Investors into the affairs of the Company, by any failure to exercise or delay in exercising a right or remedy, or by any other event, except a specific and duly authorised and express waiver or release stated in writing.

5.4. Notwithstanding and in addition to the Representations and Warranties made by the Promoters and the Company under Annexure D to this Agreement, each of the Promoters and the Company, jointly and severally, represent that the Company and Promoters are not in violation of any agreement or understanding with any other shareholder of the Company or any material agreement with third parties.
6. CLOSING AND THE CLOSING DATE


6.1.1. The Closing of the Investment ("Closing") shall take place on a day within 15 (Fifteen) days from the date on which the CP Satisfaction Certificate has been delivered by the Company to the Investor, or such other date, no later than 60 (sixty) days from the Effective Date, as the Parties may mutually agree to in writing ("Closing Date").

6.1.2. The Closingshall take place at the registered office of the Company, or at such other place as the Parties may agree. All proceedings to be taken and all documents to be executed and delivered by the Parties at the Closing shall be deemed to have been taken and executed simultaneously at the Closing, and no proceedings shall be deemed to be taken nor any documents executed or delivered at the Closing until all have been so taken, executed and delivered.

6.1.3. At the Closing, all Parties shall do or cause to be done the following acts and deliver to the Investors, as applicable, the documents mentioned in Clause 6.3 of this Agreement, unless the Investors waive in writing, the requirement to perform any such act and/or deliver any such document.

6.2. Obligations of Investors at Closing.

6.2.1. The Investor shall remit Investment Amount to the Company on the Closing Date, towards the subscription of the Subscription Shares.

6.2.2. The said amounts shall be remitted to the Designated Bank Account of the Company. The Company represents, warrants and declares that the Designated Bank Account is a no-lien and non-interest bearing account.

6.3. Obligations of the Company/ Promoters at Closing.

6.3.1. On the Closing Date, the Company shall convene a Board meeting, at which meeting, the Company shall, and the Promoters shall cause the Company to adopt the following resolutions ("Closing Board Resolutions"): (a) issue and allot the Subscription Shares to the Investor, in consideration of the Investment Amount; (b) approve appointment of the Investor Director on the Board as an additional director; (c) approve the restated Articles of Association; and (d) convene an EGM, for adoption of the restated charter documents.

6.3.2. The Company shall hold an Extra Ordinary General Meeting on the Closing Date and shall, at such meeting, pass (a) a special resolution for the amendment to the regulations of the Articles of Association to incorporate all the relevant provisions of this Agreement (in the form agreed to mutually between the Company, the Promoters and the Investors); and (b) pass a resolution for the appointment of the Investor Director as a Director to the Board of the Company ("Closing Shareholder Resolutions").

The Promoters shall at such meeting exercise their voting rights so as to pass such resolutions.

6.3.3. The Company shall deliver – (a) Duly stamped and endorsed share certificates representing the Subscription Shares to the Investors;
A certified true copy of the extract of the Register of Members of the Company evidencing the Investors as members of the Company;

A certified true copy of the extract of the Register of Directors of the Company evidencing the Investor Director as Director of the Company;

Certified true copies of the Closing Board Resolution and the Closing Shareholder Resolutions; and

The CP Satisfaction Certificate.

6.4. Subject to the Investors waiving any or all the Conditions Precedent, if any of the provisions of Clause 6.3 are not complied with by the Company/Promoters on the Closing Date, the Investors may:

6.4.1. defer the Closing to a date not more than 30 (thirty) days after the Closing Date set out above, as the case may be (in which case the provisions of this Clause 6 will apply to such deferred Closing Date); or

6.4.2. terminate this Agreement; or

6.4.3. proceed to Closing so far as is practicable (without prejudice to its remedies in law or under this Agreement against the Company).

6.5. The Company shall procure that all necessary documents and returns are duly completed and filed with the jurisdictional Registrar of Companies as required as soon as possible and all such activities would be completed within 15 (fifteen) Business Days after the Closing.

7. CONDITIONS SUBSEQUENT TO CLOSING

7.1. The Company shall within 15 (fifteen) Business Days after the Closing Dates or within the period prescribed by Applicable Law, whichever is earlier, file the following documents:

7.1.1. file with the jurisdictional Registrar of Companies, the relevant forms under the Act, in connection with the issuance and allotment of the Subscription Shares;

7.1.2. file such other requisite form(s), as may be required as regards the issue and allotment of the Subscription Shares;

7.1.3. file with the jurisdictional Registrar of Companies, the relevant forms under the Act, in connection with the appointment of the Investor Director as Director to the Board of the Company; and

7.1.4. file with the jurisdictional Registrar of Companies, the relevant forms under the Act, in connection with the amendments made to the Articles of Association of the Company.

7.2. Within 20 (twenty) Business Days from the Closing Dates, the Company shall deliver to the Investors the following documents, as applicable:

7.2.1. Certified true copies of the relevant forms duly filed with the jurisdictional Registrar of Companies and the receipts in respect of the issuance of the Subscription Shares;

7.2.2. Certified true copies of the relevant forms duly filed with the jurisdictional Registrar of Companies and receipts, in respect of the appointment of the Investor Director as Director to the Board of the Company;

7.2.3. Certified true copies of the relevant forms duly filed with the jurisdictional Registrar of Companies and receipts in respect of such forms, pursuant to the amendments made to the Articles of Association of the Company; and

7.2.4. Certified true copies of the relevant forms duly filed with the jurisdictional
Registrar of Companies and receipts in respect of such forms, pursuant to increase
and reclassification (if applicable) in authorized share capital of the Company.

Provided that in the event of any regulatory delays which the Company faces in
undertaking the filing requirements as stated under clauses 7.1 and 7.2, the timelines as
stated above shall be reasonably extended for the period of such regulatory delay, with
respect to the specific filing concerned. Provided however, that the Company shall
provide the Investors with certified true copies of the relevant forms/filings within 1 (one)
business day of the cessation of any such regulatory delay.

7.3. The Company shall furnish to the Investors, a printed copy of the amended Memorandum
and Articles of Association of the Company, pursuant to the execution of these presents,
within 10 (ten) Business Days filing of the same with the jurisdictional Registrar of
Companies.

9. USE OF MONEY, BORROWINGS AND FUNDING

9.1. The Investment Amount shall be utilized by the Company only for such activities as
listed under the Business Plan, which has been adopted by the Board of Directors, from
time to time, inter alia laying out the specific manner of fund utilization (“Business
Plan”). Usage of the Investment Amount for any purpose not stated in the Business Plan
shall require the prior written consent of the Investor Director.

9.2. The Company and the Promoters represent and warrant that the Company has no debt as
on the Effective Date. In the event that the Board determines that the Company requires
additional funds, the Company will make all reasonable efforts to procure such additional
funding. The Parties hereto expressly agree that in the event the Company proposes to
borrow funds from any Person, including but not limited to banks and financial
institutions, the Investors shall not be asked, or be required to provide any warranties,
letter of comfort and/or guarantees, of any nature whatsoever or any loans or with regard
to any aspect of the business or functioning of the Company. The Investment Amounts
invested by the Investors shall not be used towards the repayment of any loans or debts of
the Company.

10. MANAGEMENT OF THE COMPANY

10.1. Directors: The Company shall be managed by the Board of Directors.

10.2. Board Composition: Immediately at the Closing and thereafter, the Parties shall take all
necessary action to ensure that the Board shall be re-constituted to comprise of [4 (four)]
Directors as under:

10.2.1. 3 (three) Directors to be nominated by Promoters (“Promoter Directors”);

10.2.2. 1 (one) Director to be nominated by the Investors (“Investor Director”);
providing that the Investors may elect to appoint an observer to the Board (“Board
Observer”) instead of the Investor Director. The Board Observer shall not have
direct voting right, but shall have the right to receive notices and constitute quorum as
would otherwise be applicable to the Investor Director under this Clause 10.

10.3. No Qualification Shares: A Director need not hold any qualification Shares.

10.4. Vacation of Office by a Director: The office of a Director shall be vacated if:

(a) such Director becomes bankrupt or makes any arrangement or composition with
his creditors generally; or

(b) such Director becomes prohibited or disqualified from being a Director under any
other provisions of the Act; or

(c) such Director resigns his office by notice in writing to the Company.

10.5. Casual Vacancies: If any Director dies, resigns, vacates or is removed from office before
his term expires, the resulting casual vacancy may be filled by a nominee of the Party
who originally nominated the Director vacating office, with the consent of the Chairman and the Board, but any person so nominated, shall retain his office only so long as the vacating Director would have retained the same, if no vacancy had occurred.

10.6. **Proceedings of Board:** Subject to Clause 10.17 relating to the approval of certain specified matters, the Board shall approve decisions or pass resolutions and grant consents only at meetings held in accordance with the following procedures.

10.7. **Number of Board Meetings and Venue:** The Board shall meet at least 4 (four) times in every calendar year and at least once in every calendar quarter. Meetings of the Board shall be held at such place, within India, as the Directors may agree, from time to time. At each Board meeting, the Directors will mutually appoint one of them as the Chairman to preside over that meeting. The Chairman will have casting or second vote. The Directors shall not receive a sitting fee for attending Board meetings. A Board meeting may also be held by teleconference or video conferencing subject to Applicable Law, and/or the presence of a Director at a meeting may be recorded if he is present over telephone or video conferencing, such meeting or presence, as the case may be, being subject to Applicable Law.

10.8. **Convening Meetings of the Board:** Any Director may, and the secretary of the Company, if so appointed, shall on the requisition of a Director, summon a meeting of the Board, in accordance with the notice and other requirements set out in Clauses 9.11 and 9.12 below.

10.9. **Notice for Board Meetings:** At least 7 (seven) days prior written notice shall be given to each of the Directors of any meeting of the Board. A meeting of the Board may be held at shorter notice with the written consent (which may be signified by letter, facsimile or email with receipt acknowledged) of a majority of the Directors including the written consent of the Investor Director.

10.10. **Contents of Notice:** Every notice convening a meeting of the Board shall set forth in full and sufficient detail each item of the business to be transacted thereat, and no item or business shall be transacted at such meeting, unless the same has been stated in full and in sufficient detail in the notice convening the meeting, except as otherwise consented to by all the Directors, or their respective alternate Directors. The draft resolutions and other documents for all matters to be considered at the Board meeting must be furnished to all the Directors at least 7 (seven) days prior to the date of the proposed Board meeting, except where such meeting is called on shorter notice, in which case these must be furnished to all Directors as much in advance of the meeting as reasonably practical. The secretary of the Company, if any, shall prepare the notice for the meetings. If the secretary is unavailable, unwilling or unable to do so, the Director that summoned the meeting shall prepare the notice.

10.11. **Quorum for the Board Meetings:** The quorum for a Board meeting shall be at least 2 (two) Directors, of which one director shall be the Investor Director (or his alternate director, as the case may be), unless such Director has accorded absence and waived the requirement of attendance for the purposes of quorum expressly in writing to the Company either by letter, facsimile or e-mail with receipt acknowledged. A meeting of the Board shall not be held or continued without the presence, at all times, of the quorum unless such Investor Director has expressly waived the requirement for his presence either in writing or by facsimile transmission.

If a quorum is not present within 30 (thirty) minutes of the scheduled time for any meeting of the Board or ceases to exist at any time during the meeting, then the meeting shall be adjourned, for a period determined by the Chairman, which period shall not be less than 7 (seven) days (it being understood that the agenda for such adjourned meeting shall be the same as the agenda for the original meeting and the quorum for such adjourned meeting shall be the Directors present thereat, not being less than two). Notice of the adjourned meeting shall be given to all Directors by facsimile transmission or e-mail with receipt acknowledged.

Provided that if the Investor Director is not present at such adjourned Board meeting as is required, the Board shall not take such action or pass such resolutions in respect of
matters referred to in Clause 10.17 specified in the notice of the Board meeting (consequently the adjourned meeting), unless the Investors, as required, have consented in writing to such action being taken or such resolution(s) being passed, prior to the convening of such meeting.

10.12. **Committees of the Board**: A committee of Directors or other Persons, to whom any powers of the Board are delegated, can be appointed only by the Board. The Investor shall have the right to appoint at least 1 (one) nominee as member of any such committee. Any matters covered under Clause 10.17 and delegated to any such committees shall continue to be subject to the specific approval rights of the Investor Director set forth in Clause 10.17 and elsewhere in this Agreement. It is clarified that the Board shall lay down the provisions pertaining to the conduct of the meetings of any committee constituted under this clause.

10.13. **Management Team**: The Promoters and any other person so designated by the Board from time to time shall constitute the core management team of the Company. In the event that any of the Key Persons disassociates from the Company either individually or collectively, at any time after the Effective Date, the Investors shall have the right (but not the obligation) to cause the Company to appoint new person/s in place of the exiting / Key Persons into the management team, who shall work alongside the remaining Key Persons as part of the management team.

10.14. **Circular Resolutions**: The Board may act by written resolution, or in any other legally permissible manner, on any matter, except as set forth in Clause 10.17 hereof and except for matters, which by law may only be acted upon at a meeting. Subject to any restrictions imposed by law, no written resolution shall be deemed to have been duly adopted by the Board, unless such written resolution shall have been approved by the requisite majority of Directors, as provided in various clauses in this Agreement, including where applicable Clause 10.17. If a Director does not convey his acceptance or rejection of the proposed resolution within 15 (fifteen) days from the date of receipt of the requisite documentation (including explanatory statements and supporting documents), he shall be deemed to have rejected the proposed resolution.

10.15. **Alternate Directors**: The Promoters and the Investors shall take all necessary steps to cause the Board, at the request of the Promoters’ Director or the Investor Director, as the case may be, to accept the appointment of an alternate Director recommended by the Promoters’ Director/ Promoters or the Investor Director, to act in such Director’s absence. Such an alternate Director shall be entitled to act only in the absence of the Director to which he is alternate, provided however that the period of such alternate Director shall not exceed three months. Such an alternate Director shall always be subject to the Act and the provisions of this Agreement.

10.16. **Decisions of the Board**:

(a) Except as mentioned elsewhere in this Agreement, including in Clause 10.17 of this Agreement, the questions arising at any meeting of the Board or decision by circular resolution, shall be decided by a simple majority of votes.

(b) All the matters relating to execution of an agreement or any contract or arrangement, including granting of loans, between the Company on the one hand and any or all of the Directors, Promoters, Investors on the other hand or the matters relating to termination of such agreements, contracts or arrangements shall be discussed and decided upon only at the meeting of the Board.

10.17. **Restrictions on the Powers of the Board and Company**: Notwithstanding any other provision of this Agreement or any power conferred upon the Board by this Agreement, the Act or the Articles, and until such time as the Investors are Shareholders, the Company shall not approve or take any of the following actions or matters at either the Board or Shareholders level, without having first received the written consent of the Investor Director/ Board Observer at the Board Level and the representative of the Investors at the Shareholders’ level (“Reserved Matters”):

(a) Merger, acquisition, increase or decrease in authorized capital or, new investments
or any other form of capital restructuring, excluding this round of Investment.

(b) Dividend payments and buyback of shares.

c) Issue of sweat equity by the Company.

d) Issuance of bonus shares by the Company.

e) Sale or transfer of any intellectual property/ intangible asset, which is material to the operations of the Company.

f) Sale or transfer of a part of the Business of the Company.

g) Altering the name of the Company.

(h) Registering of any third person or an Affiliate of an existing Shareholder as a Shareholder of the Company.

(i) Any changes in Memorandum of Association and Articles of Association.

(j) Any change of statutory auditor.

(k) The pricing and timing and all other terms and conditions of an IPO or an offer for sale of shares.

(l) The acquisition of any other business, diversification or expansion.

(m) Any major changes in the Company’s financial year or in its accounting policies.

(n) Any decision to hire/fire Key Persons or any change in their terms of employment.

(o) The extension of loans to any party except employees.

(p) Any Related Party Transactions of value more than Rs.50,000.

(q) Any material changes in the Company’s business plan, including entering any new lines of business and incorporation or winding down of any subsidiary.

(r) Raising new loans (except working capital loans) not in the course of ordinary business, involving amounts exceeding Rs. 10,00,000.

(s) Raising working capital loans involving amounts exceeding Rs. 25,00,000.

(t) Any incurrence by the Company of absolute or contingent indebtedness for borrowed money and the terms of such borrowing, which are outside the purview of the approved Business Plan of the Company.

10.18. **Liability of Investor Director:**

10.18.1. The Company expressly agree that the Investor Director will be a non-executive Director.

10.18.2. The Company expressly agree and undertake that the Investor Director/Board Observer shall not be in charge of, or responsible for the day to day management of the Company and shall not be deemed, to the extent permissible under the Act, to be an “officer in default” as the term is defined in the Act and shall accordingly not be liable for any default or failure of the Company in complying with the provisions of any Applicable Law.

10.18.3. The Company expressly agree that the Investor Director/Board Observer shall not be identified as officers in charge / default of the Company or occupier of any premises used by the Company or an employer of the Employees. Further, the Promoters and the Company undertake to endeavour that the other Directors or suitable persons are nominated as officers in charge / default and for the
purpose of statutory compliances, occupiers and/or employers as the case may be in order to attempt to ensure that the Investor Director/Board Observer does not incur any liability.

10.18.4. The Company shall indemnify and keep indemnified the Investors and the Investor Director/Board Observer respectively (collectively, the “Indemnified Persons”) to the maximum extent permitted under Applicable Law against any actual losses (excluding loss of profit, remote and consequential losses) that any Indemnified Person may at any time become subject to or liable for in connection with claims brought against any of them on behalf of the Company or by a third party in connection with any of their status as a holder of Shares, Director or officer of the Company or any of their service to or on behalf of the Company except to the extent losses are determined in a final non-appealable decision of a court of competent jurisdiction to have arisen out of the gross negligence, willful misconduct or fraud of such Indemnified Person(s). The Investors shall not be required to pledge their Shares or provide any support to any third party, including but not limited to lenders of the Company and the Company will not register or acknowledge such Encumbrance on the Investor Shares unless the Investors themselves Encumber their Shares.

11. SHAREHOLDERS MEETINGS

11.1. General Meetings: An annual general meeting of the Shareholders of the Company shall be held within (6) six months of the end of the financial year as provided under the Act. Subject to the foregoing, the Board, on its own or at the request of the Investors or Promoters, may convene an extraordinary general meeting of the Shareholders, whenever they deem appropriate.

11.2. Notice for General Meetings: At least 21 (twenty-one) days prior written notice of every annual general meeting of Shareholders shall be given to all Shareholders whose names appear on the Register of Members of the Company. A meeting of the Shareholders may be called by giving shorter notice with the written consent of Shareholders as provided by the Act, including the Investors.

11.3. Contents of Notice: The notice to Shareholders shall specify the place, date and time of the meeting. Every notice convening a meeting of the Shareholders shall set forth in full and sufficient detail the business to be transacted thereat, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting. The draft resolutions to be considered at the Shareholders meetings must be furnished to all the Shareholders at least 10 (ten) days prior to the date of the proposed Shareholders meeting, except with the written consent of the Investors.

11.4. Quorum for General Meetings: The quorum for the general meeting shall be as per the provisions of the Act, however at least 1 (one) of the authorized representative of the Investors shall be necessary to form a quorum for a valid general meeting unless the authorized representative of the Investors, provides written notice prior to commencement of any general meeting or adjourned meeting waiving the requirement of his presence to constitute valid quorum for a particular general meeting or adjourned meeting, as the case may be.

If a quorum is not present within 30 (thirty) minutes of the scheduled time for any Shareholders meeting or ceases to exist at any time during the meeting, then the meeting shall be adjourned, to the same day, place and time in the next succeeding week (it being understood that the agenda for such adjourned meeting shall remain unchanged and the quorum for such adjourned meeting shall be the Shareholders present thereat, not being less than two).

Provided that if the authorized representative of the Investors is not present at such adjourned meeting as is required under this clause, the Shareholders shall not take such action or pass such resolutions in respect of matters referred to in Clause 10.17 specified in the notice of the meeting (consequently the adjourned meeting), unless the Investors have consented in writing to such action being taken or such resolution(s) being passed, prior to the convening of such meeting.
11.5. **Decision Making and Voting Rights in respect of Investor Shares:** Except as otherwise required by the relevant Applicable Law, all decisions of the Shareholders of the Company shall be made by simple majority. Provided that however till such time that the Investors are Shareholders, no decision shall be taken by the Shareholders at a general meeting of the Shareholders, in respect of any of the matters mentioned in Clause 10.17 above, unless the affirmative vote of an authorized representative of the Investors has been taken as has been provided therein.

The Investors will constitute a class of shares and will be able to exercise the rights set out in this Agreement in one block, with decisions as to voting or exercising rights hereunder being approved by a special majority of the total shareholding of the Investors (i.e., a decision approved by 75% or more of the total shareholding of the Investors on a Fully Diluted Basis). In any decision requiring a shareholder vote, the Investors will vote en bloc, with their united vote being defined by the special majority of the Investors.

12. **LOCK-IN OF PROMOTER SHARES**

12.1. **Promoters Lock In:**

12.1.1. The Promoters acknowledge and agree that except with the prior written consent of the Investors, none of the Promoters shall transfer any of the Shares held by them in the Company as long as the Investor holds any Shares in the Company. It is clarified that the Promoters may transfer the Promoter Shares among the Promoters inter se.

12.1.2. The Promoters agree that they will be in continuous employment of the Company for the period of 6 (six) years from the Closing Date unless permitted otherwise by the Investors in writing.

12.1.3. The Promoters agree that the Investment made by the Investors is premised on the continuance of the Promoters as Key Persons of the Company till such time that the Investors hold any Shares in the Company.

12.1.4. **Restricted Shares and Release of Shares:**

12.1.5. During a period of 48 (forty-eight) months from the Closing Date ("Restriction Period"), all of the Promoter Shares ("Restricted Shares") shall be subject to provisions of Clause 12.1.6 below, unless released as provided in this Clause. The Restricted Share shall be released in 16 (sixteen) equal quarterly installments, commencing from the Closing Date.

12.1.6. Notwithstanding Clause 12.1.5, all of the unreleased Restricted Shares of a Promoter shall be released and upon release, cease to be subject to this Clause 12.1.4 upon occurrence of following events:

(a) in the event that a Change in Control of the Company occurs during the Restriction Period and, within a period of 12 (twelve) months following a Change in Control of the Company, the Promoter's employment is terminated by the Company other than for Cause, or the Promoter resigns due to breach by the Company of the terms of the Promoter's employment agreement, which breach is not cured within 15 (fifteen) days from the notice thereof;

(b) Upon completion of the Restriction Period; and

(c) In the event of death or disability of the Promoter, in which case the Restricted Shares shall be released and transmitted or transferred, as the case may be, to the heir or next of kin of the Promoter. It is provided that the term “disability” for this clause shall mean any injury, illness or disease that (i) prevents the Promoter from performing duties under his employment agreement for a period of six (6) consecutive months, and (ii) in the opinion of a qualified physician, be permanent and continuous during the remainder of the Promoter’s life.
12.1.7. In the event any Promoter’s employment with the Company is terminated, during the Restriction Period, by the Promoter without Cause or by the Company for Cause, then at the sole discretion of the Board, such Promoter’s Restricted Shares that have not be released as set out in Clause 12.1.5 above shall be (a) bought back by the Company at face value and will be added to the ESOP pool, or (b) be treated in such other manner as the Board may determine.

13. TRANSFERABILITY, VOTING AND DIVIDEND RIGHTS OF THE INVESTORS

13.1. The Investors shall have the right to freely Transfer the Investor Shares (along with all underlying rights attached to them under the terms of this Agreement) at all times to: (a) their Affiliate; or (b) any Person other than a Person who undertakes Competing Business.

13.2. All the Investor Shares shall, unless specifically provided otherwise in this Agreement, rank pari passu with the existing issued Equity Shares with respect to all stock activities including voting rights, dividend and rights issuance.

13.3. The Investors shall be entitled to assign all or any of their rights hereunder to any Affiliate or any Person (other than a Person who undertakes a Competing Business), and for this purpose the other Parties to this Agreement shall execute a deed of adherence with such Affiliate or Person as per the format set out in Annexure E to this Agreement, as may be requested by the Investors.

13.4. The Promoters agree and undertake that they shall exercise their voting rights in such a manner as to ensure performance of the terms of this Agreement.

14. INFORMATION AND INSPECTION RIGHTS

14.1. The Company and the Promoters agree that the Investors shall be entitled to reasonable inspection and visitation rights, at the sole cost of the Company, which shall be applicable as long as the Investors hold any Shares in the Company.

14.2. The Promoters shall cause the Company to, and the Company shall, deliver the following to the Investors, for so long as such Investors hold any Shares in the Company:

(a) Audited financial statements within 90 (ninety) days after the end of each financial year;

(b) Unaudited consolidated quarterly financial statements within 45 (forty-five) days of the end of each quarter;

(c) Quarterly business update, delivered as a presentation and an hour long conference call with Investors at such time and place as may be mutually agreed among the Parties;

(d) The annual budget and annual business plan within 30 (thirty) days prior to the end of each financial year, as approved by the Board; and

(e) Any such information as the Investors may from time to time request, with regard to any material developments affecting Company’s business, within 7 (seven) days from the date of request.

14.3. The Company further covenants that it will promptly provide to the Investors all details regarding any claim or threat of claim (including of infringement of any intellectual property rights), in the services, business or operations of the Company.

14.4. The Company shall keep true and accurate accounting records of all operations, and such records shall be kept at the registered office of the Company or at such other place in India as the Board thinks fit and shall be open for inspection and for taking copies of such records by each Party or by its duly authorised representatives (such as lawyers, accountants or other professional advisors) at all times during normal business hours and with sufficient notice so as not to disrupt the Company’s operations.
14.5. So long as the Investors hold any Shares in the Company, they shall have full access to, and right to make copies of, all books of account, records and the like of the Company. Any information obtained by the Investors through exercise of this right of access shall (i) be used only for purposes, which are consistent with its status as the holder of such Shares and not for the pursuit of business interests outside that of the Company; and (ii) be subject to applicable confidentiality provisions.

15. PRE-EMPTION RIGHTS OF THE INVESTORS

15.1. Any future issue of equity shares or convertible securities by the Company Subject to the terms and conditions of this Agreement, the Company may raise funds by way of a fresh issue of Shares (“Fresh Issue”) to any Person (hereinafter referred to as “the New Investor”); provided that such Fresh Issue shall not be made on the terms more favorable (including as to price) than those offered to the Investors, without the prior written consent of the Investors. and the Investors shall at all times be entitled to participate in the Fresh Issue to the extent required to maintain their respective percentage shareholding in the Company on a Fully Diluted Basis.

15.2. The Company shall offer such proportion of the Fresh Issue to the Investors by delivery of a written notice to them (“Offer Letter”). Such offer by the Company shall be on the same terms and conditions as offered to the New Investor.

15.3. Each Investor may revert to the Company with its acceptance to subscribe upto his proportionate share of the Fresh Issue (“Acceptance Letter”) within 15(fifteen) calendar days of the date of the Offer Letter (“Offer Period”). In such a case, the issue of the Shares to the accepting Investor(s) per the Acceptance Letter shall take place simultaneously with the issue of the Shares to the New Investor(s).

15.4. If the Investor(s) (a) expressly decline(s) the offer set out in the Offer Letter; or (b) to the extent there are unsubscribed Shares from the Fresh Issue, the Company may within 30 (thirty) calendar days of the expiry of the Offer Period, (A) proceed with the Fresh Issue to the New Investor in its entirety; or (B) proceed with the Fresh Issue to the New Investor to the extent of the unsubscribed portion along with the issue of the accepted Shares to the Investor(s) in the manner set out in sub-clause (iv) hereinabove.

15.5. The New Investor shall sign a deed of adherence to this Agreement in a format acceptable to all Parties, which deed of adherence shall specify the rights to which such New Investor shall be entitled.

16. TRANSFER OF SHARES

16.1. Promoters Lock In: The Promoters acknowledge and agree that, except with the prior written consent of the Investors, none of the Promoters shall Transfer any of the Shares held by them in the Company as long as the Investors hold any Shares in the Company. Subject to the terms of this Agreement and Applicable Laws, the Promoters shall not sell their Shares to any Person, except with the consent of the Investors and then only in accordance with the process set out below, and any sale, disposal or Encumbrance or Transfer in any other manner by the Promoters, in contravention of this Clause16.1, shall be void ab initio. The Company shall not register the Transfer of any Shares unless such Transfer is in compliance with the terms of this Agreement. The details of the Promoters Lock in shall be given in the executive employment agreement of each Promoter.

16.2. Right of First Refusal.

If the Company is not listed on any Stock Exchange, and a Shareholder, prior to such listing, proposes to transfer all or part of its shareholding (“Selling Shareholder”) in the Company to a third party (a “Third Party Purchaser”), then the following procedure will be followed:

16.2.1. The Selling Shareholder will first offer, all (and not less than all) of its Shares (“Offered Shares”) to the other Shareholders and the other Shareholders will have the right but not the obligation to purchase collectively all of the Offered Shares in the manner provided below.
16.2.2. The Selling Shareholder will serve a notice on all the other Shareholders (“Sale Notice”) of such proposed transfer, together with details of the Third Party Purchaser, the purchase price (“Specified Price”) and other material terms which the Selling Shareholder and the Third Party Purchaser have agreed upon (“Offer Terms”).

16.2.3. Any Shareholder agreeing to purchase the Shares on the Offer Terms (such shareholder, a “Purchasing Shareholder”) will convey its acceptance to the Selling Shareholder by giving a written notice (“Acceptance Notice”) to the Selling Shareholder within 60 (sixty) days of receiving the Sale Notice (“Acceptance Period”).

16.2.4. If only 1 (one) Purchasing Shareholder agrees to purchase all of the Offered Shares (such Shares being the “Accepted Shares”), then the Selling Shareholder will transfer such Accepted Shares to the Purchasing Shareholder. If there are more than 1 (one) Purchasing Shareholders, then the Selling Shareholder will transfer the Shares to each Purchasing Shareholder in proportion to their respective shareholdings in the Company (on a Fully Diluted Basis). In the event that any Shareholder does not acquire whole or part of its pro rata share of the Offered Shares, the each of the Purchasing Shareholder shall also have a right to acquire such remaining Offered Shares in the proportion as its shareholding percentage in the Company bears to the total shareholding of all the Purchasing Shareholders.

16.2.5. The sale and purchase of the Offered Shares in terms of Clause 16.2.1 to 16.2.4 above will be consummated within 7 (seven) days of the receipt of the Acceptance Notice by the Selling Shareholder.

16.2.6. If the Shareholders do not agree to purchase the Offered Shares within the Acceptance Period, then the Selling Shareholder will have the right but not the obligation to transfer all of the Offered Shares to a Third Party Purchaser on terms no more favourable than the Offer Terms.

16.2.7. The transfer of Offered Shares by the Selling Shareholder to a Third Party Purchaser will be consummated within 15 (fifteen) days of the expiry of the Acceptance Period. However, if the transfer of Shares by a Selling Shareholder is not completed within 15 (fifteen) days of the expiry of the Acceptance Period, then such Selling Shareholder will not be permitted to transfer the Shares without first following the procedure to the Clause 16.2.

16.3. Investors Tag Along Right.

16.3.1. In the event the Promoters (except Promoter 3) are the Selling Shareholders, then without prejudice to the Investors' rights set out in Clause 16.2 ("Right of First Refusal"), the Investors shall also have a right (but not the obligation) to require the Selling Shareholder to ensure that the Third Party Purchaser purchases up to a proportionate number of the Investor Shares (the "Investor Tag Along Right"). If the Investors exercise the Investor Tag Along Right, then the Selling Shareholder shall ensure that the Third Party Purchaser purchases the number of Investor Shares mentioned in the Tag Notice (as defined below) issued by the Investors along with the Offered Shares at the price offered by the Third Party Purchaser to purchase the Offered Shares and on the terms not less favourable than those received by the Selling Shareholder.

16.3.2. The Investors shall be entitled to sell the Investor Shares in the same proportion as each Investor's shareholding in the Company bears to the total shareholding of all the Parties, in the Company. For example, if the Investor’s total shareholding percentage in the Company is 10% of the shareholding percentage of the Parties in the Company on a Fully Diluted Basis, then the Investors shall be entitled to sell up to 10% of the Offered Shares; Provided, however, in case of transfer of Shares by Promoters wherein (a) the Shares proposed to be transferred by the are in excess of 74% (fifty percent) of the shareholding of the Promoters in the Company (on a Fully Dilute Basis) or (b) there is a change in control of the
Company; the Investors shall have the right to sell up to all of the Investor Shares to the Third Party Purchaser, before transfer of any Shares by the Promoters, in the following event.

16.3.3. If the Investors do not exercise their Right of First Refusal and wishes to exercise the Investor Tag Along Right, then within 30 (thirty) Business Days of receipt of the notice from the Sale Notice, the Investors shall serve upon the Selling Shareholder a written notice (the “Tag Notice”), specifying the number of Investor Shares that the Investor seeks to sell to the Purchaser. In the event that the Investors do not wish to exercise the Investor Tag Along Right, they shall inform the Selling Shareholder of the same within the expiry of 30 (thirty) Business Days of receipt of the Sale Notice. Failure to deliver the Tag Notice within 30 (thirty) Business Days of receipt of the Sale Notice shall result in the expiration of the Investor’s rights pursuant to this Clause only in respect of that particular Sale Notice.

16.3.4. On exercise of the Investor Tag Along Right, the Investors shall not be obliged to make any representations and warranties to, or provide any indemnities to, or be bound by any other agreements or other covenants, with respect to any matters, other than title to the Investor Shares sold or transferred by the Investors, such title being free and clear of all Encumbrances.

16.3.5. The Selling Shareholder shall ensure that the Purchaser completes the purchase of the Investor Shares offered by any or all Investors prior to

16.3.6. It is clarified that this Clause 16.3 shall not apply to sale or transfer of Shares by Promoter 3. The Investor’s Right of First Refusal set out in Clause 16.2 and Tag-Along Right set out in Clause 16.3 shall terminate upon the closing of a Qualified IPO or a Strategic Sale.

17. **INVESTORS EXIT**

Subject to Applicable Law, the Company shall complete either a Qualified IPO or a Strategic Sale at any time on or prior to March 31, 2023 (respectively, the “Qualified IPO Date” and the “Strategic Sale Date”).

17.1. **Initial Public Offering (“IPO”).**

17.1.1. On or after the IPO Target Date, the Investors may require the Company to undertake the Qualified IPO of the Company and achieve listing of the Company on the National Stock Exchange and/or the Bombay Stock Exchange and/or any internationally recognized stock exchange.

17.1.2. Each Party agrees that it shall cooperate in maximizing the size of the Qualified IPO, which shall be based on the advice of a reputed investment banker and structured to maximize value for the Shareholders. The Parties further agree that the terms, timing and final pricing of the Shares (subject to the applicable Law) to be issued under the Qualified IPO shall be subject to affirmative vote of the Investors on a resolution to be passed for the same at the Board/general meeting.

17.1.3. Subject to the listing guidelines and other Applicable Laws, the Investors shall have the right, but no obligation, to tender all or part of the Equity Shares owned by the Investors for sale in the Qualified IPO.

17.1.4. The Parties expressly understand, acknowledge and agree that the Company shall be responsible and liable for (i) all costs and expenses incurred in connection with the Qualified IPO, and (ii) subject to applicable Law, including principles governing financial assistance, for any breach of the Company’s representation, warranties, covenants, obligations and undertakings set forth in any agreement, instrument and other document in relation to the Qualified IPO. Further, the Promoters and the Company shall ensure that: (i) the Investors shall not be considered/ classified/ named or deemed as a ‘promoter’ of the Company for any reason whatsoever (unless required by Applicable Law) in the prospectus or any
other documents related to a public offering or otherwise and (ii) the Investor Shares are not be subject to any restriction whatsoever (including that of lock-in or other restrictions) which are applicable to promoters under any Applicable Law, unless such restriction is required by Applicable Law to be placed specifically on the Investor. If Applicable Law does not permit the abovementioned actions, the Parties shall exercise all their rights and take all actions to endeavour to achieve the objectives of this Clause 7.1.4 to the extent permissible in accordance with Applicable Law.

17.2. **Strategic Sale**

17.2.1. In the event the Company intends to complete a Strategic Sale, the Company, whether within the Strategic Sale Date or otherwise, shall deliver a notice to the Investors (the “**Strategic Sale Notice**”), setting out (i) the exact nature of the transaction proposed, (ii) the identity of the company with which the Company proposes to merge, or the proposed acquirer or transferee, as the case may be (iii) in the event that the Strategic Sale is through (a) a merger, the salient terms of the scheme of merger, (b) any transaction which involves a sale of Shares, the price and other terms on which the Shares are proposed to be sold, and (c) a sale of assets, the price and other terms on which the assets are proposed to be sold, (iv) the estimated time for completion of the Strategic Sale, and (v) any other material terms of the proposed Strategic Sale.

17.2.2. In the event that the Investors consent to a Strategic Sale (the “**Approved Strategic Sale**”), the Investors shall indicate the number of the Investor Shares that the Investors propose to offer in such Strategic Sale. In the event that the Investors veto such Strategic Sale, the Company and the Promoters shall take no further action in relation to such Strategic Sale. In the event the Investors signify their consent to the Strategic Sale and willingness to participate in the Strategic Sale, the Company and the Promoters shall take all steps necessary to complete the Approved Strategic Sale on the terms set out in the Strategic Sale Notice, within a period of 90 (Ninety) days from the date on which the Investors consent to the Approved Strategic Sale, including obtaining required Consents and Government Approvals, and providing representations, warranties, covenants and indemnities customary to such transactions, unless extended by such time as may be required to obtain any Government Approvals. In the event that the Approved Strategic Sale has not been completed within 120 (One Hundred and Twenty) days from the date of consent, the Company and the Promoters shall seek the consent of the Investors to continue with the Approved Strategic Sale by sending a fresh Strategic Sale Notice.

17.2.3. All costs and expenses relating to the Approved Strategic Sale shall be borne entirely by the Company. The Investors shall not be required to provide any guarantees or indemnities, or be subject to any restrictive covenants pursuant to, or be required to bear any costs and expenses related to an Approved Strategic Sale.

17.2.4. The Company and the Promoters shall, in good faith, consider all opportunities relating to a Strategic Sale that are brought to its notice by the Investors.

17.3. **Buy Back**:

17.3.1. In the event the Company has not been able to provide the Investors with a successful exit under Clause 17.1 or Clause 17.2, then, the Investors shall have the right to require the Company to buyback the Investor Shares (or any portion thereof) held by the Investor at a price per Investor Share determined as per Clause 7.3.1 below (the “**Buyback Price**”). Upon the Investors offering the Investor Shares to the Company, the Company shall be obliged to buyback the offered Investor Shares at the Buyback Price and complete all necessary payments of the Buyback Price and all other formalities and actions in connection therewith, within 45 (forty-five) days of the offer made as above.

7.3.1. **Buyback Price.** The Buyback Price shall be the higher of the following:
17.3.2. In the event that the Company is unable to buy-back the Investor Shares, the Promoters shall make best efforts to find a purchaser for the Investor Shares in the Company to provide exit to the Investors.

17.4. Drag Along Right of the Investors.

In the event the Company or the Promoters fail to provide an exit to the Investors under the options provided above or complete the buyback of Investor Shares by March 31, 2023, the Investors shall have the right to sell the Company and/or Company’s assets as per Applicable Laws at their sole option at the then prevailing FMV. In such an event of the sale the Company, the Promoters shall ensure that all the other Shareholders, including employees, shall be obliged to offer their shares in full, along with the Promoters, to facilitate exit to the Investors. This drag-along right shall terminate on the happening of (i) a Qualified IPO or an Approved Strategic Sale or (ii) a buy back by the Company where the Investors realize the returns on their investment at the Buyback Price. For further financing, the Promoters shall make the best efforts to negotiate retention of this clause with the incoming investor. If, however, the incoming investors do not agree to the retention of this clause, then on a request by the Promoters, the Investors shall consider postponement or waiver of this clause, without undue delay.

18. ANTI-DILUTION RIGHT OF THE INVESTORS

18.1. Other than as contemplated herein, if at any time after the Closing Date, and till such time as the rights of the Investors have not been terminated in accordance with the provisions of this Agreement, if the Company issues to any Person, any Shares (other than Equity Shares reserved, by way of an ESOP, for grant to employees with the approval of the Investors), at a price per Share that is lower than the Subscription Price, then the Investors shall be entitled to additional Shares of the Company such that the Subscription Price of the Investor Shares becomes equal to the price per Share in the Fresh Issue of Shares to be made by the Company. Such issue of additional Shares to the Investors shall be made simultaneously with the Fresh Issue of Shares by the Company.

19. LIQUIDATION PREFERENCE

19.1. Upon the occurrence of a Liquidation Event at any time, the proceeds (cash, shares and any other consideration) shall be distributed among the Shareholders as follows:

19.1.1. Firstly, an amount equal to the Investment Amount/ amount invested by the Investors, as applicable, shall be paid to the Investors; and

19.1.2. The remaining proceeds, if any, shall be distributed pro-rata among all the Shareholders, including the Investors.

The amount payable to the Investor under this Clause 19.1 shall hereinafter be referred to as the “Preference Amount”.

19.2. For the sake of clarity, it is specified that the Liquidation Preference of the Investor under Clauses 19.1 shall rank senior to any other Shareholders’ rights on liquidation (including the Promoters). Further, the Company and the Promoters shall take all steps necessary to ensure that the Investor shall (i) be entitled to benefits of the Liquidation Preference on the Investor Shares, as per the terms and conditions of this Agreement; and (ii) receive the Preference Amount, on the occurrence of the Liquidation Event.

20. NON-COMPETE AND NON-SOLICITATION

20.1. The Promoters agree with the Investors that so long as the Investors are Shareholders
(“Non-Compete Period”):

20.1.1. the Promoters shall not, without the prior written consent of the Investors, directly or indirectly, own, manage, operate, join, have an interest in, control or participate in the ownership, management, operation or control of, or be otherwise connected in any manner such as being an employee, consultant or agent of, any corporation, partnership, proprietorship, trust, estate, association or other business entity which directly or indirectly engages anywhere in the world in a commercial activity identical or similar to, or one that competes with the business of the Company; and

20.1.2. the Promoters shall not in any manner provide or divulge any information of the Company, including without limitation, any intellectual property, trade secrets, confidential information, or any information in any manner and form whatsoever for the purpose of and/or relating to the rendering, selling, supplying, marketing or distributing of products or services constituting part of the Business including rendering any assistance for the purpose of improving, modifying, upgrading or making any betterment to any existing process, know-how, software methodology or technology whatsoever for the purpose of and/or relating to the manufacturing, selling, supplying, marketing or distributing of the same whether or not the same is patented or proprietary or otherwise.

20.1.3. the Promoters shall, except as set out in Clause 20.2, devote their working time, energy and efforts to the activities of the Company and the promotion of the Business. The terms of employment and obligations to devote time and effort by the Promoters shall be in addition to the covenants, if any in the employment agreement executed by the Promoters with the Company. Provided that the Promoters may accept appointment as directors in other companies, only with the prior consent of the Investors.

20.2. The Promoters further agree that the Promoters shall divest, liquidate or otherwise exit all of their present businesses, other than the Company, by March 31, 2018 and during this term, the Promoters shall not spend more than 2 (two) hours on a weekly basis on such existing businesses. The Promoters further agree to not accept any fiduciary or statutory position in any business till March 31, 2022 or until an exit is provided to the Investor under Clause 17 of this Agreement, whichever occurs earlier.

20.3. The Promoters acknowledge and agree that the above restrictions are considered reasonable for the legitimate protection of the business and the goodwill of the Investors and the Company, and are not harsh or oppressive, but in the event that such restriction shall be found to be void, but would be valid if some part thereof was deleted or the scope, period or area of application were reduced, the above restriction shall apply with the deletion of such words or such reduction of scope, period or area of application as may be required to make the restrictions contained in this clause valid and effective. Notwithstanding the limitation of this provision by any law for the time being in force, the Promoters undertake to, at all times, observe and be bound by the spirit of this Clause 20.

21. INTELLECTUAL PROPERTY RIGHTS

All the Intellectual Property Rights arising out of the performance of the Company of its Business and the inputs of the Promoters in the course of their association with the Company, shall be owned by the Company and all Parties will assist the Company in securing the same by filing for appropriate protection under Applicable Law in the name of the Company. No Party to this Agreement shall act in any manner derogatory to the proprietary rights of the Company over such Intellectual Property Rights.

22. INDEMNITY

22.1. The Company and Promoters (each an “Indemnifying Party” individually and “Indemnifying Parties” collectively) shall jointly and severally, defend, indemnify, and hold harmless the Investors and their representatives, and agents, and the Investor Director/Board Observer (each an “Indemnified Party” individually and “Indemnified Parties” collectively) from and against any and all losses, liabilities, claims, damages, expenses, costs, and other amounts paid by such Persons in any way arising out of or related to any claim, demand, action or proceeding alleging that the Indemnifying Parties have breached any of the representations, warranties, covenants, and agreements contained in this Agreement.
Parties” collectively) to the fullest extent permitted by Applicable Law against and with respect to any and all Damages from, resulting by reason of, or arising in connection with breach of any representation and warranty or breach or non-performance of any covenant, condition, or agreement made or to be performed by Company and the Promoters pursuant to this Agreement or any document delivered to the Investors in the consummation of the transactions contemplated by this Agreement.

22.2. The remedies set forth in Clause 22.1 shall be without prejudice to all the rights and remedies that the Indemnified Parties may have under Applicable Law and shall not be the sole and exclusive remedies of the Indemnified Parties for any breach of this Agreement or any matter relating to any representation and warranty contained in this Agreement. The Indemnified Parties, as the case may be, shall be entitled to pursue any remedy that is available to them under Applicable Law.

22.3. The Indemnified Party under this Clause 22 shall, as soon as practicable after the receipt of notice of the commencement of any claim against such Indemnified Party in respect of which indemnity may be sought from the Indemnifying Party under this Clause 22, notify the Indemnifying Parties in writing of the commencement thereof.

(a) Upon such notification the Indemnifying Party shall assume the defence thereof at its own expense; provided, however, that any Indemnified Party may, at its own expense, retain separate counsel to participate in such defence.

(b) Notwithstanding the foregoing, in any claim in which both the Indemnifying Party and the Indemnified Party are, or are reasonably likely to become, a party, such Indemnified Party shall have the right to employ separate counsel if, in the reasonable opinion of counsel to such Indemnified Party, either (a) one or more defenses are available to the Indemnified Party that are not available to the Indemnifying Party or (b) a conflict or potential conflict exists between the Indemnifying Party and such Indemnified Party that would make such separate representation advisable.

Provided that such other counsel shall act as per the instructions of the Indemnifying Party. The Indemnifying Party shall make all interim payments or deposits that may be required to be made in relation to claim/proceeding/order.

(c) The Indemnified Party shall promptly notify the Indemnifying Party of a claim at such a time as will enable the Indemnifying Party to participate in the defense of such claim in accordance with this Clause 22.

(d) The Indemnifying Party agrees that it will not, without the prior written consent of the Indemnified Party, settle, compromise or consent to the entry of any judgment in any pending or threatened claim relating to the matters contemplated hereby (if any Indemnified Party is a party thereto or has been actually threatened to be made a party thereto) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising or that may arise out of such claim.

(e) The Indemnified Party shall not be liable for any settlement of any claim affected against an Indemnified Party without its written consent, which consent shall not be unreasonably withheld.

(f) The rights accorded to an Indemnified Party hereunder shall be in addition to any rights that any Indemnified Party may have under Applicable Law or in equity or otherwise; provided, however, that the Indemnified Party shall not make a claim for Losses under this Clause 22 for any claim for which it has already been fully compensated by the Indemnifying Parties in pursuance of this Clause 22 or in Applicable Law, equity or otherwise.

23. TERMINATION

23.1. This Agreement shall terminate with respect to a Shareholder, when such Shareholder ceases to hold Shares in the Company.
23.2. This Agreement may be terminated at any time by the mutual written agreement of the Parties.

23.3. In the event of the Promoters ("Defaulting Promoter(s)") and/or the Company committing breach of:

(a) this Agreement or Representations and Warranties, which breach is not cured within 30 (thirty) Business Days of the receipt of notice thereof given to the Defaulting Promoter(s)/ Company;

(b) a Promoter being convicted or restricted in any manner from conducting the Company’s Business, for any reason whatsoever;

(c) initiation of Winding Up proceedings against the Company;

each of the above shall be treated as a "Material Breach", and the Investors, without prejudice to their other rights and remedies provided for specifically under this Agreement, shall have the right to seek specific performance and in the event that such specific performance is not enforceable or available under any provision of law, seek Damages on account of the breach committed by the Promoter(s).

23.4. Termination of the Agreement shall be without prejudice to all the rights and remedies available to the Parties under Applicable Law, including the right to seek, as an alternative to termination, specific performance of obligations under the Agreement or terminate the Agreement and seek losses for the breach committed from any Party during the period prior to such termination.

23.5. The termination of this Agreement shall not relieve any Party of any obligation or liability accrued prior to the date of termination.

24. MISCELLANEOUS

24.1. Confidentiality: Each of the Parties shall maintain the utmost confidentiality, regarding the contents of this Agreement at all times. Provided however nothing contained herein shall affect the ability of the Parties to make disclosure to any Governmental Authority or any other Person under the provisions of any law, and/or the ability of the Parties to make disclosures to its lenders, vendors or customers, provided however in all such circumstances, the non-disclosing Party who shall be required to disclose such information shall have to give prior notice to the other Party before making the disclosure, indicating the nature of information that is proposed to be disclosed. Further neither Party shall make any announcements to the public or to any third party regarding the arrangements contemplated by this Agreement without the prior written consent of the other Party, provided that none of the aforesaid Parties shall be liable for making such announcements if the same are made in the course of business and/or as required to be disclosed under the Applicable Law or pursuant to the legal process.

24.2. Governing Law & Dispute Resolution:

24.2.1. This Agreement and its performance shall be governed by and construed in all respects in accordance with the laws of the Republic of India.

24.2.2. Subject to the provisions of Clause 24.2.3 hereinbelow, the Courts in Mumbai, shall have the exclusive jurisdiction to entertain any proceedings for interim relief related to this Agreement whether during pendency, or after expiry or termination.

24.2.3. If any dispute relating to the validity, interpretation, construction, performance and enforcement of this Agreements ("Dispute") arises, the aggrieved Party shall issue a written notice thereof to the other Party or Parties for resolution through mutual negotiations. If the dispute is not resolved through negotiation within 15 (fifteen) Business Days from the date of the notice of Dispute, then the aggrieved Party may issue a notice to refer the dispute for arbitration appointing 1 (one) arbitrator in its notice. The other Party/Parties shall, within 15 (fifteen) Business Days of receipt of the notice for initiating arbitration proceedings, appoint its arbitrator and the two arbitrators so appointed shall then enter upon reference and
shall appoint a third arbitrator. If the other Party does not appoint its arbitrator within the stipulated 15 (fifteen) Business Days’ period, the arbitrator appointed by the aggrieved Party shall commence arbitration proceedings as sole arbitrator and shall proceed in accordance with the provisions of the Arbitration and Conciliation Act, 1996 (as may be amended from time to time) and the award made by him shall be final and binding upon the Parties and shall be to the exclusion of all other courts, subject to jurisdiction of courts at Mumbai, India.

24.2.4. All proceedings of such arbitration shall be in English language and the arbitral award shall be final and binding on the parties. The Parties specifically agree that no proceedings shall be brought before any court or administrative tribunal for the purpose of seeking stay, to enjoin or otherwise interfere with the consultation or arbitration proceedings.

24.2.5. The arbitration panel may, (but shall not be required to), award to a Party that substantially prevails on merits, its costs and reasonable expenses (including reasonable fees of its counsel).

24.2.6. When any dispute is under arbitration, except for the matters under dispute, the Parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under this Agreement.

24.2.7. Notwithstanding anything stated to the contrary in this Agreement, neither of the Parties shall be precluded from seeking interim or permanent equitable or injunctive relief, or both, from any court having jurisdiction to grant the same. The pursuit of equitable or injunctive relief shall not be a waiver of the duty of the Parties to pursue any remedy for monetary damages through the arbitration described in this Clause 24.2.

24.3. Notices: Unless otherwise provided herein, all notices or other communications to be given shall be made in writing and by letter (hand delivered with due acknowledgement or registered post) or email communication (followed by written notice by registered post) and shall be deemed to be duly given or made, in the case of personal delivery, when delivered, or, in the case of a letter, five (5) calendar days after being deposited in the post (by registered post, with acknowledgment due), postage prepaid, to such Party at its address specified in the name clause and Annexure A hereto or at such other address as such Party may hereafter specify for such purposes to the other by notice in writing.

24.4. Assignment: The Company and the Promoters shall not be entitled to assign their rights and obligations under the Agreement to a third party without the prior written consent of the Investors. The Investors shall have an unrestricted right to assign their Shares in any manner whatsoever, without prior consent of the Company and the Promoters.

24.5. Severability: Any provision in this Agreement, which is or may become prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in the same or any other jurisdiction. Without prejudice to the foregoing, the Parties will immediately negotiate in good faith to replace such provision with a proviso, which is not prohibited or unenforceable and has, as far as possible, the same legal and commercial effect as that which it replaces.

24.6. Force Majeure: No Party shall be liable to the other Parties for delay or failure to perform caused by an event or occurrence of Force Majeure. The Party whose performance is affected by an event of Force Majeure shall promptly notify the other Parties of the existence and cessation of such event. The Parties shall take all reasonable steps within their power to recommence performance of the Agreement following an event of Force Majeure after it expires or is no longer in effect.

24.7. Waiver: No provision of this Agreement may be waived, changed or amended, except in writing signed by both Parties. Failure or omission by either Party at any time to enforce or require strict or timely compliance to any provision of the Agreement shall not affect or impair that provision in any way or the rights of the other Party to avail itself of the
remedies it may have in respect of any subsequent breach of that or any other provision of this Agreement.

24.8. **Relationship Between Parties:** Except as stated in this Agreement, nothing in this Agreement or in any document referred to in it shall constitute any of the Parties a partner of the other, nor shall the execution, completion and implementation of this Agreement confer on any Party any power to bind or impose any obligation on any other party or to pledge the credit of any other party.

24.9. **Amendments:** Any provision of this Agreement may be amended or waived if, and only if such amendment or waiver is in writing and signed, in the case of an amendment by each of the Parties, or in the case of a waiver, by the Party against whom the waiver is to be effective.

24.10. **Independent Contractors:** The Parties are independent contracting parties and will have no power or authority to assume or create any obligation or responsibility on behalf of each other. This Agreement will not be construed to create or imply any partnership, agency or joint venture, or employer-employee relationship.

24.11. **Counterparts:** This Agreement may be executed in 3 counterparts, each of which when executed and delivered shall constitute an original of this Agreement but shall together constitute one and only the Agreement.

REST OF THE PAGE INTENTIONALLY LEFT BLANK
IN WITNESS WHEREOF the Parties hereto and the Confirming Party have executed this Agreement on the date and the year first hereinabove written.
ANNEXURE A
INVESTORS AND INVESTOR DETAILS

[Note: Please insert investor details]

<table>
<thead>
<tr>
<th>S. No</th>
<th>Investor Names</th>
<th>Address</th>
<th>Email Id</th>
<th>Contact no</th>
</tr>
</thead>
</table>

ANNEXURE B
INVESTOR SUBSCRIPTION AMOUNT AND SHAREHOLDING

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Investor</th>
<th>Investment Amount</th>
<th>Total Subscription Shares</th>
</tr>
</thead>
</table>

ANNEXURE C
SHAREHOLDING PATTERN ON FULLY DILUTED BASIS

Part A: Pre-Closing Shareholding Pattern on Fully Diluted Basis

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of Shareholder</th>
<th>No. of Equity Shares</th>
<th>Shareholding (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>[*]</td>
<td>100%</td>
</tr>
</tbody>
</table>

Part B: Post-Closing Shareholding Pattern on Fully Diluted Basis as on Closing Date

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Shareholder</th>
<th>No. of Shares</th>
<th>Shareholding (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>100.00%</td>
</tr>
</tbody>
</table>
ANNEXURE D

REPRESENTATIONS AND WARRANTIES

Representation and Warranties of the Company and the Promoters:

Except as disclosed in the Disclosure Letter, the Company and the Promoters, jointly and severally, represent and warrant to the Investors that the following information and/or statements are true, complete and correct as on the Effective Date and the Closing Date and none of the following information and/or statements are misleading, whether by inclusion of any misleading information or omission of any material information or both, with the knowledge and understanding that the Investors have agreed to subscribe to the Shares relying on these representations and warranties and other covenants and undertakings on the part of the Company contained in this Agreement:

1. Organization

The Company is a body corporate duly incorporated and validly existing under the laws of the Republic of India and is duly registered and authorized to do business in India. The Company has the full power and the necessary authority and appropriate regulatory approvals to carry on its business as presently conducted and to own, operate or lease its assets and properties.

2. Authority

2.1. The Company and each of the Promoters have all requisite power and authority to execute and deliver this Agreement, to perform their obligations hereunder and thereunder and to consummate the transactions.

2.2. All corporate acts and other proceedings required to be taken by Company and each of the Promoters, as the case may be, to authorize the execution, delivery and performance of this Agreement have been duly and properly taken.

2.3. This Agreement, to which the Company and each of the Promoters is a party, has been duly executed and delivered and constitutes a legal, valid and binding obligation of the Company and each of the Promoters, as the case may be, enforceable against the Company and each of the Promoters, as the case may be in accordance with its terms.

3. No Conflicts

3.1. The execution and delivery by the Company and each of the Promoters of this Agreement to which it is a party do not, and the performance of the terms of this Agreement will not, conflict with, or result in any violation or breach of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or give rise to increased, additional, accelerated or guaranteed rights or entitlements of any Person under, or result in the creation of any lien upon any of the assets and properties of the Company or the respective Promoters under, any provision of (i) the Memorandum and Articles of the Company, (ii) any material contract to which the Company or any Promoters, as the case may be, is a party or by which any of their respective properties or assets are bound or (iii) any law or order applicable to the Company or any Promoters, as the case may be, or their respective assets and properties.

4. Approvals and Filings

4.1. Except as disclosed by the Company in the Disclosure Letter, all consents, approvals, licenses, permits, orders or authorization of, or registration, declaration or filing with, any Governmental Authority or any other Person, which are required to be obtained or made by or with respect to the Company or their respective Affiliates or the Promoters, as the case may be, in connection with the execution, delivery and performance of this Agreement and the Business have been taken.

4.2. Any condition imposed to such approval has been and shall be duly complied with. All documents required to be filed with Governmental Authority have been duly filed and the
statutory books and records of the Company have been properly maintained in accordance with Applicable Law.

5. Constituent Documents

The business and affairs of the Company are being conducted in accordance with its Memorandum and Articles and the Promoters have caused the Company to deliver and the Company has delivered, true and correct copies of such Memorandum and Articles and other constituent documents to the Investors.

6. Capitalization and Voting Rights

6.1. The authorized share capital of the Company and the issued and paid up share capital of the Company as on the Effective Date is as set out in this Agreement.

6.2. The outstanding Equity Shares are all duly authorized and validly issued, fully paid, and were issued in accordance with all Applicable Laws. All outstanding Equity Shares are free and clear of any Encumbrances.

6.3. Upon the Company’s receipt of the Investment Amount from the Investors, good and valid title to the Shares will pass to the Investors, free and clear of any Encumbrances. No share transfer taxes or duties shall be due and payable as a result of the subscription and issuance of the Shares, other than stamp duties, which are to be borne and paid by the Company.

6.4. Except for the ESOP, there are no outstanding options with respect to the Company. Other than this Agreement there are no agreements or understandings between any Persons, which affect or relate to the voting or giving of written consents with respect to any security or by a director of the Company.

6.5. The shareholding pattern of the Company immediately prior to and upon issue and allotment of the Subscription Shares on the Closing Date is given in Annexure C of this Agreement.

7. Books and Records

The minute books of the Company have been made available to the Investors prior to the execution of this Agreement and contain in all material respects complete and accurate records of all meetings and other corporate actions of its respective shareholders and Board of Directors and committees thereof. The statutory registers of the Company have been made available to the Investors prior to the execution of this Agreement and contain complete and accurate records of the record share ownership of its respective issued and outstanding capital stock.

8. Solvency

8.1. None of the following has occurred and is subsisting, nor a notice has been served, to the Company in relation to the following:

8.1.1. appointment of a liquidator or receiver or any application to or order of any Court requiring that it be placed in bankruptcy;

8.1.2. a resolution for Winding Up of the Company or for the appointment of an official liquidator; or

8.1.3. a scheme of arrangement or composition with all or a class of creditors.

9. Accounts

9.1. The Accounts of the Company as provided to the Investors:

9.1.1. have been prepared in accordance with the Applicable Law and the accounting standards prescribed by the Institute of Chartered Accountants of India or such other applicable standards;
9.1.2. reflect a true and fair view of the assets and liabilities of the Company, the state of affairs of the Company and its Business, its financial position and profit or loss of the Company; and
9.1.3. have been prepared in accordance with the method of accounting and the accounting principles and policies consistently adopted by the Company in at least three preceding financial years.

10. Undisclosed Liabilities

Except as reflected or reserved in the financial statements in the case of the Company or in the notes thereto or as disclosed therein, there are no liabilities against, relating to or affecting the Company or any of their respective assets and properties, other than liabilities incurred in the ordinary course of business consistent with past practice which, individually or in the aggregate, do not exceed Rs. 1,00,000 (Rupees One Lakh only).

11. Absence of Changes or Events

11.1. Except for the execution and delivery of this Agreement and the transactions as contemplated in the Agreement there has not been any material adverse change in, or any event or development which, individually or together with other such events, could reasonably be expected to have a Material Adverse Effect.

11.2. There has not occurred:

11.2.1. any authorization, issuance, sale or other disposition by the Company of (or any modification or amendment of any right of any holder of) any shares of the Company (or options with respect thereto);
11.2.2. any physical damage, destruction or other casualty loss except for normal wear and tear, (whether or not covered by insurance) affecting any of the plant, real or personal property or equipment of the Company;
11.2.3. any change in the shareholding pattern of the Company;
11.2.4. incurrence by the Company of Indebtedness, or (B) any voluntary purchase, cancellation, prepayment or complete or partial discharge in advance of a scheduled payment date with respect to, or waiver of any right of the Company under, any Indebtedness owing to it;
11.2.5. any material change in (A) any pricing, investment, accounting, financial reporting, inventory, credit, allowance or tax practice or policy of the Company, or (B) any method of calculating any bad debt, contingency or other reserve of the Company for accounting, financial reporting or tax purposes, or any change in the fiscal year of the Company;
11.2.6. any acquisition or disposition of, or incurrence of a lien (other than a lien permitted by the Investors in writing) on, any assets and properties of the Company, other than in the ordinary course of business consistent with past practice;
11.2.7. capital expenditures or commitments for additions to property or equipment of the Company constituting capital assets;
11.2.8. any entering into, material amendment, termination (partial or complete) or granting of a waiver under or giving any consent with respect to (A) any material contract which is required (or had it been in effect on the date hereof would have been required) to be disclosed on the Schedules hereto or (B) any material license held by the Company;
11.2.9. any increase in the rate or terms of compensation payable to the Key Employees of the Company, except annual increases occurring in accordance with the Company’s customary practices or any material modification to any benefit arrangement or collective bargaining agreement related to the Company;
11.2.10. any: (A) amendment of the Memorandum and/or Articles of the Company, (B) recapitalization, reorganization, liquidation or dissolution of the Company or (C) merger or other business combination involving the Company and any other Person unless done to reflect the terms of this Agreement;

11.2.11. any declaration, setting aside or payment of any dividend or other distribution in respect of or any direct or indirect redemption, purchase or other acquisition by the Company of the capital stock of the Company;

11.2.12. a sale, lease, license, transfer or other disposal by the Company of any assets or property;

11.2.13. any change in the method of accounting or keeping of books of account or accounting practices, except as required by the Indian Accounting Standards as concurred in by the Company’s auditors;

11.2.14. any entering into of a contract to do or engage in any of the foregoing, i.e. paragraphs 11.2.1 to 11.2.13 after the date hereof;

11.2.15. any change in the nature of the Company’s business;

11.2.16. pay any Employee compensation other than the current monthly payroll, raise or agree to raise anyone’s compensation, or pay or agree to pay any bonus or other special compensation, except in accordance and consistent with the Company’s normal and past practices;

11.2.17. anything, which would cause all or any of the Representations and Warranties to be untrue, inaccurate or misleading as on the Closing Date.

12. Litigation

12.1. There are no proceedings by or before any Governmental Authority or by any Person pending against, relating to or affecting the Company or Promoters or any of its assets and properties.

12.2. There are no facts or circumstances known to the Company or Promoters that could reasonably be expected to give rise to any actions, suits, proceedings, arbitrations or any investigations or audits by any Governmental Authority that would be required to be disclosed pursuant to sub clause 12.1 above.

12.3. There are no orders outstanding against the Company or Promoters.

12.4. There are no claims pending against the Company or Promoters arising out of any dispute relating to the IP Rights of the Company.

13. Movable Property

Each item of material tangible movable property of the Company is in all material respects in good operating condition and repair, ordinary wear and tear excepted, and suitable for continued use in the Company’s business as presently conducted. All leased movable property of the Company is in all material respects in the condition required of such property by the terms of the applicable lease. The Company is in possession of and has good title to, or has valid leasehold interests in or valid rights under contract to use, all tangible movable property used in or reasonably necessary for the conduct of its business free and clear of all liens other than liens permitted by the Investors in writing.

14. Real Property

14.1. Except as disclosed by the Company in the Disclosure Letter:

14.1.1. With respect to each immovable property: (i) the Company has a good and valid freehold/ leasehold interest in and to the immovable property and documents evidencing such title of the Company have been duly stamped and registered in accordance with Applicable Law; (ii) each lease is in full force and effect, and is
14.1.2. The leased property (also referred to as the “Real Property”) is adequate and suitable for the purposes for which it is presently being used. There are no condemnation or appropriation proceedings pending against any of the Real Property or the improvements thereon. None of the Real Property or buildings, structures, facilities, fixtures or other improvements thereon, or the use thereof, contravenes or violates any building, zoning, administrative, occupational safety and health or other Applicable Law in any material respect.

15. Intellectual Property

Except as disclosed by the Company in the Disclosure Letter:

15.1. The Company has all rights, titles and interests in, or valid and binding rights under contract, as are necessary to use the Intellectual Property as are used in or necessary for the conduct of the Company’s business. The Company has absolute and exclusive ownership on its proprietary Intellectual Property. To the knowledge of the Company, no Intellectual Property is being infringed upon by any other Person.

15.2. The Company has the right to use its Intellectual Property, and (i) there are no restrictions on the direct or indirect transfer of any contract, or any interest therein, held by the Company in respect of such Intellectual Property, (ii) the Company has taken reasonable security measures to protect the secrecy, confidentiality and value of its trade secrets, and (iii) the Company has not received any notice that it is in default (or with the giving of notice or lapse of time or both, would be in default) under any Contract to use such Intellectual Property.

15.3. The Company has not received notice that the Company is infringing or violating any intellectual property of any other Person, and to the knowledge of the Company, no proceeding is pending or has been made to such effect that has not been resolved and the Company is not infringing any intellectual property of any other Person.

15.4. The Company has not entered into any agreement, deed or arrangement, either in writing or by conduct, for the purposes of transfer, assignment, license, right to use of or other disposition of any of the Intellectual Property to any Person. The Company is not obligated to pay any royalties or other payments to third parties with respect to the marketing, sale, distribution, license or use of any intellectual property or any other property or rights.

16. Contracts

16.1. The Company is not a party to or bound by any:

16.1.1. Collective bargaining or similar labour contract or any employment, consulting or management agreement;

16.1.2. Contract containing any provision or covenant prohibiting or limiting the ability of the Company to engage in any business activity, or to compete with any Person, or to solicit any Person to become an employee or associate of the Company;

16.1.3. Contract (other than this Agreement) between or among the Company, on the one hand, and the Promoters, any current director or Affiliate (other than the Company) of the Promoters, on the other hand;

16.1.4. Lease, sublease or similar agreement with any Person (other than the Company) under which the Company is a lessor or sublessor of, or makes available for use to any Person (other than the Company), (A) any real or material tangible personal
property of the Company or (B) any portion of any premises otherwise occupied by the Company;

16.1.5. Material license, option or other Contract relating in whole or in part to (A) the IP Rights described herein (including any license or other agreement under which the Company is licensee or licensor of any such Intellectual Property) or (B) trade secrets, confidential information or proprietary rights and processes of the Company, or any other Person;

16.1.6. Material contract relating to Indebtedness of the Company (whether pursuant to a note, bond, debenture or other evidence of Indebtedness, any direct or indirect guarantee of Indebtedness or any take-or-pay or keep well agreements, mortgage, pledge, security agreement, deed of trust or other instrument granting a lien or other encumbrance upon any Company property (other than a lien permitted by the Investors in writing));

16.1.7. Contract relating to (A) the future disposition or acquisition of any assets and properties, other than dispositions or acquisitions in the ordinary course of business consistent with past practice, and (B) any merger or other business combination;

16.1.8. Material contract (other than this Agreement) that (A) limits or contains restrictions on the ability of the Company to declare or pay dividends on, to make any other distribution in respect of or to issue or purchase, redeem or otherwise acquire its capital stock, to incur Indebtedness, to incur or suffer to exist any lien, to purchase or sell any assets and properties, to change the lines of business in which it participates or engages or to engage in any business combination or (B) requires the Company to maintain specified financial ratios or levels of net worth or other indicia of financial condition;

16.1.9. Material contract under which any Person has incurred Indebtedness on behalf of the Company or under which the Company is the lender or other obligee of such Indebtedness (whether pursuant to a note, bond, debenture or other evidence of Indebtedness, any direct or indirect guarantee of Indebtedness or any take-or-pay or keep well agreements);

16.1.10. Material contracts with any Person, which are not on an arm’s-length basis.

16.2. The Company has no knowledge of (i) any material Contract or account with any customer being terminated or being considered for termination or non-renewal or (ii) any customer considering any material reduction in its business with the Company.

16.3. Each contract is in full force and effect and constitutes a legal, valid and binding agreement, enforceable in accordance with its terms, of each party thereto; and, neither the Company, nor, to the knowledge of Promoters or the Company, any other party to such contract is, or has received notice that it is in violation or breach of or default under any such contract (or with notice or lapse of time or both, would be in violation or breach of or default under any such contract) in any material respect or has given notice of any election to cancel, terminate or not to renew such contract whether in accordance with the terms of any contract or otherwise.

17. Compliance with Laws

The Company is in compliance with any law or order applicable to them or any of their respective assets and properties. There is no pending notice that the Company is or has been, in violation of or in default under, any law or order applicable to the Company or any of their respective assets and properties, except for violations and defaults that would not, individually or in the aggregate, be reasonably likely to result in a Material Adverse Effect.

18. Licenses and Permits
All such licenses are validly held by the Company and are in full force and effect. The Company has complied in all material respects with all terms and conditions thereof and the same will not be subject to suspension, modification, revocation or non-renewal as a result of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. No proceedings are pending or, to the knowledge of the Company, threatened that would have the effect of revoking or limiting or affecting the renewal of any of such licenses. All such licenses which are held in the name of any employee, officer, director, stockholder, agent or otherwise on behalf of the Company shall be deemed included under this warranty.

19. Employee Benefits

The Company does not have any current or projected liability (contingent or fixed) in respect of post-employment or post-retirement health or medical or life insurance benefits for retired or former employees of the Company. No employee or former employee of the Company will become entitled to any bonus, retirement, severance, job security or similar benefit or any enhanced benefit either solely or substantially as a result of the transactions contemplated hereby.

20. Employee and Labour Matters

20.1. With regard to the Company’s employment practices, the Company and the Promoters hereby represent that:

20.1.1. No employee of the Company is presently a member of a collective bargaining unit and, to the knowledge of the Company, there are no threatened or contemplated attempts to organize, for collective bargaining purposes, any of the employees of the Company;

20.1.2. No unfair labour practice complaint or sex, age, race or other discrimination claim is pending against the Company before any Governmental Authority; and

20.1.3. The Company has not received notice of the intent of any Governmental Authority to conduct an investigation relating to the employment practices of the Company and, to the knowledge of the Company, no such investigation is in progress.

20.2. There has never been any work stoppage, strike or other concerted action by employees of the Company. The Company has complied in all material respects with all Applicable Laws relating to the employment of labour, including, without limitation those relating to wages, hours and collective bargaining.

20.3. There are no loans, debts or other obligations payable or owing to any officers, directors, Related Parties or employees of the Company, except salaries, wages, bonuses, contribution to employee benefit plans and salary advances and reimbursement of expenses incurred and accrued in the ordinary course of business, nor are there any loans or debts payable or owing by any such persons or their Affiliates to the Company, nor has the Company guaranteed any of their respective loans, debts or obligations.

20.4. To the knowledge of the Company, the execution and delivery of this Agreement will not conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any Contract under which any employee of the Company is obligated.

21. Corporate Name

The Company (i) has the exclusive right to use its name as the name of a corporation in any jurisdiction in which the Company does business and (ii) has not received any notice of conflict with respect to the rights of others regarding the corporate name of the Company. No Person is presently authorized to use the name of the Company.

22. Disclosure

No representation or warranty of the Company contained in this Agreement, and no statement contained in any document, certificate or schedule furnished or to be furnished
23. Due Diligence Information and Documents

All documents, information and representations made by the Company to the Investors during the course of the legal due diligence conducted by the Investors were complete and accurate, and do not contain any untrue statement or fail to state any material fact.
ANNEXUREE
DEED OF ADHERENCE

This DEED OF ADHERENCE (the “Deed”) is made this _____ day of __________, 20___

BY AND BETWEEN

_____________________________________________________________________________, hereinafter referred to as the “Covenantor”, which expression shall, unless repugnant to the meaning or context thereof be deemed to include its successors and permitted assigns to whom the Shares of the Company have been transferred by ______________________________ (the “Transferor”);

AND

________________, a company incorporated under the laws of India, having its registered office at (hereinafter referred to as the “Company”, which expression shall, unless repugnant to the context or meaning thereof, mean and include its successors and assigns);

AND

______________________________________________________________________________ (the “Continuing Shareholders”).

RECITALS:

(A) On [●], the Transferor, Company the Continuing Shareholders (together referred as the “Existing Shareholders”), entered into a Share Subscription and Shareholders’ Agreement ("Agreement").

(B) This Deed of Adherence is supplemental to the Agreement which is attached hereto as Exhibit A.

(C) The Covenantor wishes to acquire [●] Shares of the Company from the Transferor and in accordance with the Agreement has agreed to enter into this Deed of Adherence.

NOW THEREFORE THIS DEED OF ADHERENCE WITNESSETH AS FOLLOWS:

Interpretation

In this Deed of Adherence, except as the context may otherwise require, all words and expressions defined in the Agreement shall have the same meanings when used herein.

Undertaking

In consideration of the Transferor having transferred its Shares to the Covenantor and in consideration of having agreed to such transfer, the Covenantor hereby agrees and undertakes as follows:

1. The Covenantor hereby confirms that a copy of the Agreement and the Articles of the Company have been made available to it and hereby covenants with the continuing Shareholders and the Company to observe, perform and be bound by all the terms which are applicable to the Covenantor and the Covenantor shall be deemed, with effect from the date on which the Covenantor is registered as a member of the Company, to be a Party to the Agreement and to be bound by all the terms thereof as they applied to the Transferor and as if the Covenantor had executed the Agreement instead of the Transferor.

2. The Covenantor hereby covenants that it shall do nothing that derogates from, or obstructs the application and operation of, the provisions of the Agreement or the
Articles. Further, and in addition to the above, the Covenantor covenants that it shall facilitate and aid the application of Agreement to itself, the continuing Shareholders, and the Company.

3. This Deed of Adherence shall be governed and construed in all respects by the laws of India.

IN WITNESS WHEREOF, THIS DEED OF ADHERENCE HAS BEEN EXECUTED AS A DEED ON THE DAY AND YEAR FIRST BEFORE WRITTEN

<table>
<thead>
<tr>
<th>For the Covenantor</th>
<th>For the Transferor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature:</td>
<td>Signature:</td>
</tr>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For the Continuing Shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature:</td>
</tr>
<tr>
<td>Name:</td>
</tr>
</tbody>
</table>
ANNEXURE F
TERMS AND CONDITIONS ATTACHED TO THE CCPS

A. Dividend Rights:

1. The CCPS shall rank pari passu to all classes or series of preference shares and senior to all classes or series of Equity Shares of the Company in all respects including in relation to interest, dividends, liquidation and other distributions, save as may be specified in this Agreement.

2. The CCPS shall carry a pre-determined coupon rate of 0.001% per annum until conversion. In addition, if the holders of Equity Shares are paid dividend, then the holders of the CCPS shall be entitled to dividend at the same rate, provided that the dividend payable on the CCPS shall be non-cumulative.

B. Voting Rights: The holders of CCPS shall be entitled to voting rights on an ‘as if converted basis’. For this purpose, the Investors shall be entitled to vote at each meeting of the holders of Equity Shares of the Company to the extent of such proportion of the total voting rights, as the Investors would have been entitled to assuming full conversion of all the preference shares issued to Investors. Such right shall be construed inter alia as a voting arrangement amongst the Investors, and all other shareholders of the Company (including the Promoters); and, if required by the Investors, all other shareholders (including Promoters) shall provide proxy(ies) to the Investors to enable them to exercise such proportion of the votes as would provide them the right to exercise (in any meeting of the holders of Equity Shares of the Company) such voting rights in proportion to the Equity Shares held by them (on an as if converted basis). The aforesaid is without prejudice to the Investors’ right to convert any preference shares held by it, into Equity Shares.

C. Terms of Conversion:

1. The CCPS shall, unless converted earlier at the option of the holder of the CCPS, be automatically converted into equity shares in accordance with the Conversion Ratio as under paragraph 3 of this Schedule, on (a) the 15th anniversary from the Closing Date, or (b) in the event of listing pursuant to an IPO approved by the Investors, or (c) completion of a Strategic Sale, whichever is earlier.

2. Each CCPS may be converted into equity shares at the option of the holder of the CCPS. Subject to the adjustments provided in this Annexure F and provisions of the Agreement (including the anti-dilution rights as set out under the Agreement), and subject at all times to Applicable Laws, the number of equity shares issuable upon conversion of CCPS shall be determined as set out in paragraph 3 below. No fractional Shares shall be issued upon conversion of the CCPS, and the number of Equity Shares to be issued shall be rounded up to the nearest whole number.

D. CCPS held by Investors: The CCPS held by the Investors shall be converted into the equity shares in the ratio of 1:1. The Conversion Ratio or any adjustment thereof shall be subject to Applicable Law and the number of shares issued upon conversion shall not exceed the number that can be issued under Applicable Law.

3. The Conversion Ratio will be subject to proportional adjustment by the Board for stock splits, stock dividends, combinations, recapitalizations, subject to Applicable Laws, provided the Conversion Ratio has been adjusted to achieve the anti-dilution protection as set out in Clause 18 of the Agreement. For instance:

   a. Adjustment for Splits, Subdivisions or Combinations. If, while any CCPS remain capable of being converted into Equity Shares, the Company splits, subdivides or combines the Equity Shares into a different number of securities of the same class, the number of Equity Shares issuable upon a conversion of the CCPS shall be proportionately increased in the case of a split or subdivision, and likewise, the number of Equity Shares issuable upon a conversion of the CCPS shall be proportionately decreased in the case of a combination.

   b. Adjustment for Dividends or Distributions of Equity Shares. If, while any
CCPS remain capable of being converted into Equity Shares, the Company makes or issues a dividend or other distribution of Equity Shares to the holders of Equity Shares, the number of Equity Shares to be issued on any subsequent conversion of CCPS shall be increased proportionately and without the payment of additional consideration therefore by the holder of CCPS, subject to any further adjustment as provided in the Agreement.

c. **Reclassification or Conversion.** If the Company, by reclassification or conversion of Shares, securities or otherwise, changes any of the Equity Shares into the same or a different number of Shares or securities of any other class or classes, the right to convert the CCPS into Equity Shares shall thereafter represent the right (but not the obligation) to acquire such number and kind of Shares or securities as would have been issuable as the result of such change with respect to the equity shares that were subject to the conversion rights of the holder of CCPS immediately prior to the record date of such reclassification or conversion, subject to further adjustment as provided in the Agreement.