

Agreement Award



**Indian-Non Judicial Stamp  
Haryana Government**



Date : 13/09/2021

Certificate No. G0M202111771



GRN No. 82056232



Stamp Duty Paid : ₹ 1000  
(Rs. Thousand Only)

Penalty : ₹ 0

(Rs. Zero Only)

**Seller / First Party Detail**

Name: Growfitter private limited

H.No/Floor : B/104

Sector/Ward : Nil

LandMark : 1st floor shree sainath society

City/Village : Mumbai

District : Mumbai

State : Maharashtra

Phone: 95\*\*\*\*\*76



**Buyer / Second Party Detail**

Name : Ipv advisors pvt ltd And Others

H.No/Floor : 239

Sector/Ward : 48

LandMark : 2 nd floor tower a jmd megapolis

City/Village: Gurgaon

District : Gurgaon

State : Haryana

Phone : 95\*\*\*\*\*76

Purpose : ESTAMP PAPER FOR ARTICLE 5 GENERAL AGREEMENT

The authenticity of this document can be verified by scanning this QrCode Through smart phone or on the website <https://egrashry.nic.in>

**SHARE SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT**

**DATED 16<sup>th</sup> SEPTEMBER, 2021**

**BY AND AMONGST**

**GROWFITTER PRIVATE LIMITED**

**AND**

**SANMATI ANILKUMAR PANDE (FOUNDER 1)**

**AND**

**HARSHIT SETHY (FOUNDER 2)**

**AND**

**FIRSTPORT CAPITAL**

**AND**

**THE PERSONS NAMED IN SCHEDULE A-Part I**

**AND**

**THE PERSONS NAMED IN SCHEDULE A-Part II**

**AND**

**IPV ADVISORS PRIVATE LIMITED**



## SHARE SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT

This Share Subscription and Shareholders' Agreement is made on and is executed on the 16<sup>th</sup> day of September, 2021.

### BY AND AMONGST:

1. **GROWFITTER PRIVATE LIMITED**, a company incorporated under the Companies Act 2013, holding CIN No. U93000MH2016PTC281315 and having its registered office at 104 1st Floor, Shree Sainath Society, CHS Anand Nagar, Vakola Police Lane Santacruz East Mumbai, 400055, Maharashtra (hereinafter referred to as the "**Company**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) through its' authorised representative Sanmati Anilkumar Pande;
2. **SANMATI ANILKUMAR PANDE (PAN: AJYPP0393G)**, son of Anilkumar Pande, aged about 36 years, Citizen of India and currently residing at [B/1201, Rushi heights, riddhi garden , film city road, Goregaon east, Mumbai 400097] (hereinafter referred to as the "**Founder 1**", which expression shall, unless it be repugnant or contrary to the context thereof, mean and include his heirs, legal representatives, successors and permitted assigns);
3. **HARSHIT SETHY (PAN:DXOPS8839B)**, son of Pravin Sethy, aged about 30 years, Citizen of India and currently residing at [902, Plot no 158, Rajendra Jhaveri residency, jawahar nagar, Goregaon West, Mumbai] (hereinafter referred to as the "**Founder 2**", which expression shall, unless it be repugnant or contrary to the context thereof, mean and include his heirs, legal representatives, successors and permitted assigns);
4. **FIRSTPORT CAPITAL**, a Category- I AIF, angel fund registered with Securities and Exchange Board of India, acting through its Investment manager, FirstPort Ventures LLP, a limited liability partnership incorporated in accordance with the Limited Liability Partnership Act, 2008 and having its' registered office at 239, 2nd Floor, Tower A, JMD Megapolis, Sector 48, Sohna Road, Gurugram, Haryana – 122018 and represented by its' partner **Mr. Mitesh Shah** (hereinafter referred to as the "**FirstPort Capital**", which expression shall, unless it be repugnant or contrary to the context thereof, be deemed to mean and include its successors and permitted assigns);
5. **THE PERSONS NAMED IN SCHEDULE A- PART I HERETO ACTING THROUGH THEIR APPOINTED AUTHORISED REPRESENTATIVE MR. ANKUR MITTAL, AUTHORIZED BY POWER OF ATTORNEY** (hereinafter collectively referred to as the "**IPV Investors**" and individually as "**IPV Investor**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include their respective heirs, legal representatives, successors, transferees and permitted assigns);

6. **THE PERSONS NAMED IN SCHEDULE A- PART II** (hereinafter collectively referred to as the **"Existing Investors"** and individually as **"Existing Investor"**, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include their respective heirs, legal representatives, successors, transferees and permitted assigns);
7. **IPV ADVISORS PRIVATE LIMITED**, a company incorporated under the Companies Act, 2013, holding CTN No U74999HR2019PTC083261 and having its registered office at # 239, 2nd Floor, JMD Megapolis, Sector 48, Sohna Road, Gurgaon – Haryana – 122018, (hereinafter referred to as the **"Investment Facilitator/IPV"**, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) through its authorised Director, Vinay Kumar Bansal.

Founder 1 and Founder 2 are hereinafter referred to collectively as the **"Founders"**

FirstPort Capital and IPV Investors are hereinafter referred to individually as **"New Investor"**/ collectively as the **"New Investors"**

New Investors and Existing Investors are hereinafter referred to individually as **"Investor"**/ collectively as the **"Investors"**.

The Company, the Founder, and the Investors are hereinafter referred to individually as a **"Party"** and collectively as the **"Parties"**.

**WHEREAS:**

- A. The Company is *inter-alia* engaged in business of carry on the business of creating virtual gyms, health & fitness centres, sports, buying & selling Gym memberships online ("Business").
- B. The Investment Facilitator is *inter-alia* engaged in connecting companies and promoters/founders seeking investment in their company to Investment Facilitator's members' network.
- C. The Investment Facilitator has connected the Company and its Founder to IPV Investors from Investment Facilitator's members network to invest in the capital of the Company. The Investment Facilitator role is restricted to only connect Company and its Founder with IPV Investors from Investment Facilitator's

members' network. The Company and its Founder are free to accept investment from the IPV Investors and the IPV Investors from Investment Facilitator's members' network are free to invest in the Company on mutually agreed terms and conditions.

- D. The Company has requested the Investors to invest in the Share Capital of the Company, and subject to the terms of the Transaction Documents and based on the Warranties and covenants given by the Founder and the Company hereunder, the Investors are desirous of investing the Investors' Subscription Amount (as defined herein below) in consideration for the subscription to the Investors Subscription Securities (as defined herein below).
- E. The Parties are now entering into this Agreement for the purpose of recording the terms of the investment by the New Investors in the Company and regulating the relationship of the Company, the Founder and the Investors and their *inter se* rights and obligations with respect to the capitalisation, management and operations of the Company.
- F. This Agreement supersedes all other existing shareholder agreements, addendums or investment agreements both verbal and written by whatever name called, for investment into the Company, entered between any and all of the Company, the Founder, Other Shareholders and the Investors.
- G. The IPV Investors will act, execute and do all such deeds to enforce this Agreement through Mr. Ankur Mittal on behalf of all the IPV Investors who each have given the Power of Attorney to Mr. Ankur Mittal (Power of Attorney Holder).
- H. FirstPort Capital will act, execute and do all such deeds to enforce this Agreement through its Investment Manager FirstPort Ventures LLP, a limited liability partnership represented by its Partner Mr. Mitesh Shah ("Investment Manager Representative").

**NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS SET FORTH IN THIS AGREEMENT AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:**

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 DEFINITIONS**

Capitalised terms as used in this Agreement shall have the meanings (a) as indicated in this Clause 1.1 (Definitions), (b) if not defined in this Clause 1.1, as assigned to such terms in the other parts of this Agreement where indicated. Any term not defined in this Agreement shall have the meaning as is commonly understood in India under applicable Law and within the spirit of this Agreement. All capitalized items not defined in this Clause 1.1 shall have the meanings assigned to them in other parts of this Agreement by bold letters enclosed with in quotes ("").

- 1.1.1 **"Act"** shall mean the provisions of the Companies Act, 2013 and includes rules, regulations, notifications, circulars and clarifications issued thereunder, including any statutory modifications or re-enactments thereof in force from time to time;
- 1.1.2 **"Affiliate"** of a Person (the **"Subject Person"**) shall mean:
- a) in the case of an individual, his/her Immediate Relative, and any Person, who is Controlled by such individual or
  - b) any director or executive officer with respect to such Person;
  - c) in the case of any other Person, a Person who Controls, is Controlled by, or is under common Control with, the first referred Person;
  - d) In addition to sub-clause (b) and (c) above, with respect to an Investor, without prejudice to the foregoing, (i) any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other vehicle, in which the Investors is a general or limited partner, significant shareholder, investment manager or advisor, settlor, member of a management or investment committee or trustee; (ii) any general partner of the Investors; and (iii) any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other vehicle in which any general partner of the Investors or an Affiliate of such general manager is a general partner, significant shareholder, investment manager or advisor, settlor, member of a management or investment committee or trustee;
- 1.1.3 **"Agreed Form"** shall mean the form of that document which has been initialled on or after the Execution Date for the purpose of identification, by or on behalf of the Founder, and the IPV Investors; in each case with such amendments as may be agreed in writing;
- 1.1.4 **"Agreement"** means this Share Subscription and Shareholders' Agreement entered into by the Parties and the Investment Facilitator and shall include all the Schedules, Annexures and Exhibits hereto as amended, modified or restated from time to time;
- 1.1.5 **"Amended Articles"** or **"Restated Articles"** shall mean the amended and restated Articles which shall be to the satisfaction of the Investors, incorporating the terms of this Share Subscription and Shareholders' Agreement and in conformity with the applicable Laws;
- 1.1.6 **"Anti-Corruption Laws"** shall mean the Prevention of Corruption Act, 1988, the Prevention of Money Laundering Act, 2002 and any other anti-corruption law applicable, including any rules and regulations formed thereunder from time to time;
- 1.1.7 **"Applicable Law"** or **"Law"** means and includes all statutes, enactments, acts of legislature or parliament, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders, requirement or other governmental restrictions or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, of any government, statutory authority, tribunal, board, court having jurisdiction over the matter in question, whether in effect as of the Execution Date or thereafter, or any recognized stock exchange(s) on which the shares may be listed;
- 1.1.8 **"Articles"** means the articles of association of the Company as of the Execution Date;
- 1.1.9 **"Assets"** means assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise), including cash, cash equivalents,

receivables, real estate, plant and machinery, equipment, proprietary rights, raw materials, inventory, furniture, fixtures and insurance;

- 1.1.10 "**Authority**" or "**Government Authority**" means any government, governmental authority, statutory authority, government department, agency or instrumentality of any Government (including law enforcement personnel), court or tribunal, and the governing body of any securities exchange, any agency, commission, official or other instrumentality of the Republic of India or any other country or territory or any province, state, country, city, and any authority exercising powers conferred by Law;
- 1.1.11 "**Books and Records**" shall mean all files, documents, instruments, papers, books and records relating to the business of the Company including without limitation financial statements, Tax returns, ledgers, share certificates and books of accounts, all statutory books and registers of the Company, all minute books, registrations and filings with any Governmental Authority, contracts and licenses;
- 1.1.12 "**Board**" means the board of Directors of the Company as constituted from time to time;
- 1.1.13 "**Business Day**" shall mean a day (other than a Saturday or Sunday or an official public holiday in India) on which scheduled commercial banks are open for business in the state of Haryana, India;
- 1.1.14 "**Business Plan**" means the business plan of the Company, which shall include Business Plan as per Schedule K of this Agreement and subsequent annual operating plan and budget, and amended and approved by the Board and the New Investors in accordance with the terms of this Agreement, from time to time;
- 1.1.15 "**Charter Documents**" shall mean collectively, the Memorandum of the Company and the Articles, as amended from time to time;
- 1.1.16 "**Cause**" or "**Event of Default**" means any of the following events:
- (i). Wilful default, misconduct and negligence by a Founder in his dealings with the Company causing material losses or damage to the Company;
  - (ii). breach by a Founder of:
    - a) obligations and restrictions on transferability of his Shares; or
    - b) the undertakings and covenants of the Founder as provided under this Agreement; or
    - c) obligations and restrictions under the Founders' employment agreement; or
    - d) obligations provided in Transaction Documents and any material representations and warranties made by the Company and the Founder that have a Material Adverse Effect on the transaction as contemplated herein, provided however, such Material Adverse Effect has not occurred due to a Force Majeure Event;
  - (iii). any act or omission by the Founder involving moral turpitude or fraud (including misappropriation of Company's funds);
  - (iv). Going on or abetting any strike, or intentionally engaging in a lockout, go-slow or any other obstruction of the business of the Company for any reason other than a bona fide reason, and which even after due notice being provided to the Founder/ KMP continues to remain on a lockout, go-slow or continues to obstruct the business of the Company without any bona fide purpose; or
  - (v). an application for bankruptcy filed by a creditor against the Founder/ KMP for default in making



any payments due, which application has been admitted by the competent Governmental Authority and not dismissed within a period of 120 (one hundred and twenty) days of such admission.

- 1.1.17 "**CLOSING**" shall have the meaning ascribed to it in Clause 5.1;
- 1.1.18 "**Claim**" means a demand, claim, action or proceeding made or brought by or against a Party, however arising and whether present, unascertained, immediate, future or contingent;
- 1.1.19 "**Closing Date**" shall have the meaning ascribed to it in Clause 5.1;
- 1.1.20 "**Company Content**" shall mean and include databases, client lists, computer software packages, software designs, software solutions, hosted data, hardware designs, patents, systems, mobile / computer/internet/intranet applications, software, data, value added products, resource planning solutions, in each case, in print, electronic and any other form, and such other content created by the Company (whether directly or as works for hire);
- 1.1.21 "**Company's Bank Account**" means the bank account of the Company exclusively opened for receipt of application money of the Securities in accordance with the Act, details of which are provided in Schedule M of this Agreement;
- 1.1.22 "**Competitor**" means any business or entity which competes with and / or is involved in any activity similar / related to the Business;
- 1.1.23 "**Conditions Precedent**" shall mean the conditions listed in **Schedule F** (unless converted into Conditions Subsequent by the written consent of the New Investors) to be fulfilled by the Founder and the Company on or prior to Closing;
- 1.1.24 "**Conditions Subsequent**" shall mean such conditions as detailed out in **Schedule H** hereto or any such Conditions Precedent which may be agreed in writing, by the New Investors to be treated as conditions subsequent, which shall be fulfilled on such agreed date subsequent to the Closing;
- 1.1.25 "**Confidential Information**" means (i) any information concerning the Company or any other Party to this Agreement or any of their Affiliates or any of their respective representatives (whether conveyed in written, oral or in any other form and whether such information is furnished before, on or after the Execution Date); or (ii) any information whatsoever concerning or relating to: (A) the contents of this Agreement, (B) any dispute or claim between any of the Parties (including disputes arising out of or in connection with this Agreement) or resolution thereof; or (iii) any information or materials prepared by or for a Party or its representatives that are marked expressly as "Confidential Information"; but expressly excluding information that, (i) is generally available to the public on other than as a result of a disclosure not otherwise permissible hereunder, or (ii) was known, or lawfully disclosed or made available to the receiving party by a third party having no obligation to the disclosing party to maintain the confidentiality of such information;
- 1.1.26 "**Consent**" means any permit, permission, license, approval, authorization, consent, clearance, waiver, no objection certificate or other authorization of whatever nature and by whatever name called which is required to be granted or provided by any Person, including the creditors and any Governmental Authority or any other Authority under any applicable Law;
- 1.1.27 "**Control**", "**Controls**" or "**Controlled**" means, the ownership, directly or indirectly, of more than 50% of the voting or economic interest of such entity, or the control over the composition of more than 50%

of the Board of Directors / governing body of such entity, or the right to control the management or policy decisions of such entity, whether by operation of law, by contract, or otherwise;

1.1.28 "**Dilution Instruments**" includes any Securities, rights, options, or arrangement (whether oral or in writing) which are convertible into or entitle the holder to acquire or receive any Equity Shares of the Company, or any rights to purchase or subscribe to Securities by their terms convertible into or exchangeable for Equity Shares; excluding any arrangement (whether oral or in writing) binding the Company pursuant to which a bank or a financial institution is entitled to convert any amount due to it into Shares upon default by the Company, and provided that such default has not occurred as of the relevant date;

1.1.29 "**Director(s)**" means a director(s) of the Company from time to time;

1.1.30 "**Encumbrance**" (including all grammatical variations such as "**Encumber**") shall mean any mortgage, charge (whether fixed or floating), pledge, assignment by way of security, hypothecation, security interest, voting agreement, lien, commitment, restriction, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of), granting security, or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same, or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person;

1.1.31 "**Excluded Issuance**" shall mean an issuance of:

- a) Issuance of Securities pursuant to the Investors' anti-dilution protection under this Agreement;
- b) Issuance of Equity Shares in an IPO;
- c) Issuance of Equity Securities as part of a capital restructuring approved by the Investors.
- d) Issuance of Equity Shares pursuant to the conversion of the cumulative compulsorily convertible preference shares of the Company;
- e) Issuance of any Equity Shares issued pursuant to the employee stock option plan ("**ESOP**") approved by the Board and the Investors;
- f) Any further round of investment / fresh issue of Shares upto 25% of the current round investment within 3 (Three) months from the Closing Date and on the terms & conditions not superior to those mentioned in this Agreement;

1.1.32 "**Execution Date**" means the date first written above on which date the Parties have executed this Agreement.

1.1.33 "**Existing Investors Subscription Securities**" mean such number of Equity shares/compulsory convertible preference shares of the Company issued to the Existing Investors in accordance with the terms mentioned in **Schedule Q** hereto

- 1.1.33 **"Equity Shares"** shall mean the equity shares of the Company currently having a par value of INR [10] (Indian Rupees [Ten] only) each and carrying one (1) vote each;
- 1.1.34 **"Fair Market Value"** shall mean the fair market value of the Securities computed by a valuer approved under the Applicable Law and mutually agreed upon between the Company and the IPV Investors. If there is no mutual agreement, they will appoint separate valuers, whose average shall be the Fair Market Value, provided that the difference between the valuations is not more than 20% (twenty percent), in which case, the two valuers will appoint a third valuer, who will choose one of the two valuations as the Fair Market Value;
- 1.1.35 **"Financial Year"** or **"FY"** means the financial year of the Company commencing on April 1 of a year and ending on March 31 of the succeeding year, or such other financial year of the Company, as the Company may from time to time legally designate as its financial year;
- 1.1.36 **"FirstPort Capital Nominee Director"** means Director to the Board appointed by the Investment Manager Representative.
- 1.1.37 **"FirstPort Capital Observer"** means observer to the Board appointed by the Investment Manager Representative.
- 1.1.38 **FirstPort Capital Subscription Amount** shall mean INR 1,68,52,927 (Indian Rupees One crore Sixty Eight lacs Fifty two thousand Nine hundred & twenty seven Only) to be paid by the FirstPort Capital to the Company as consideration for the FirstPort Subscription Securities provided in detail in Clause 5.3;
- 1.1.39 **"FirstPort Capital Subscription Securities"** shall mean 3731 Pre Series A1 CCPS, to be issued to the FirstPort Capital at a price of INR 4517/- (Indian Rupees Four Thousand Five hundred & seventeen Only) per Pre Series A1 CCPS, including the nominal value of INR 10 (Indian Rupees [ten] Only) and premium of Indian Rupees 4507 (Indian Rupees Four Thousand Five hundred & seven only Only), free of all Encumbrances and provided in detail in Clause 5.3;
- 1.1.40 **"Force Majeure Event"** shall mean any of the following circumstance not within a Party's reasonable control, including but not limited to:
- a. acts of God, flood, drought, earthquake or other natural disaster;
  - b. epidemic or pandemic;
  - c. terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;
  - d. nuclear, chemical or biological contamination or sonic boom;
  - e. any law or any action taken by a government or public authority, including imposing an export or import restriction, quota or prohibition;
- 1.1.41 **Founder Shares** means 16745 shares held by Founder 1 and 10455 Shares held by Founder2.
- 1.1.42. **"Fully Diluted Basis"** means that the calculation is to be made assuming that all outstanding Securities (whether or not by their terms then currently convertible, exercisable or exchangeable), stock options, warrants, including but not limited to any outstanding commitments to issue stock and / or shares at a future date whether or not due to the occurrence of an event or otherwise, have been so converted.

exercised or exchanged into the maximum number of Equity Shares issuable upon such conversion, exercise and exchange, as the case may be and it is clarified that all authorised options under the ESOP shall be included for the aforesaid calculation irrespective of whether or not they have been issued, granted, vested, or exercised;

1.1.43. "**Fundamental Warranties**" shall mean the representations and warranties set out in Clause 1, Clause 2, Clause 5 and Clause 7 under Schedule I.

1.1.44. "**Immediate Relative**" shall, with respect to an individual, mean the individual's children, grandchildren, parents, grandparents, spouse and siblings and their spouses, as well as any estate-planning related trusts for the benefit of the individual or any of the foregoing Persons;

1.1.45. "**Indebtedness**" of any Person shall mean all indebtedness including (a) all obligations of such Person for borrowed money or with respect to advances of any kind (other than trade credit incurred in the ordinary course of such Person's business); (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such Person upon which interest charges are required to be paid; (d) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person; (e) all obligations of such Person for the deferred purchase price of property or services; (f) all indebtedness (including any indebtedness of the type included in any clause of this definition) of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Encumbrance on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed by such Person; (g) all binding guarantees and sureties by such Person of or in connection with the indebtedness (including any indebtedness of the type included in any clause of this definition) of others; (h) all obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination of real or personal property, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under applicable generally acceptable accounting principles; (i) all obligations of such Person in respect of interest rate protection agreements, foreign currency exchange agreements or other interest exchange rate hedging arrangements; and (j) all obligations of such Person as an account party in respect of letters of credit and bankers acceptances;

1.1.36. "**Indian GAAP**" shall mean India's generally accepted accounting principles as laid down by the Institute of Chartered Accountants of India and / or the Ministry of Company Affairs as applicable and as amended from time to time.

1.1.37. "**INR**" or "**Rupees**" or "**Rs.**" means Indian rupees, the lawful currency of India for the time being;

1.1.38. "**Intellectual Property**" or "**IP**" means and includes collectively or individually, all rights in the nature of intellectual property, including but not limited to the all copyrights, patents, trademarks, moral rights, service marks, logos, registered designs, domain and sub-domain names and utility models, inventions, brand names, database rights, software, know-how, programming (including source code), Company Content, and Business names and any similar rights of whatever nature situate in any country and the benefit (subject to the burden) of any of the foregoing (in each case whether registered or unregistered, whether now or hereinafter existing and including applications for the grant of any of the foregoing and the right to apply for any of the foregoing in any part of the world); It shall also include (a) trade secrets; (b) confidential information; (c) internet domain names and / or addresses; (d) all other intellectual,

information or proprietary rights anywhere in the world including rights of privacy and publicity, rights to publish information and content in any media;

- 1.1.39 "**Intellectual Property Rights**" means and includes collectively or individually, all rights in the nature of Intellectual Property;
- 1.1.40 "**New Investors Subscription Amount**" shall mean such amount paid by New Investor to the Company as consideration for Investors Subscription Securities;
- 1.1.41 "**New Investors Subscription Securities**" shall mean 6,984 Pre-Series A1 CCPS to be issued to the New Investors at a price of INR 4517 (Indian Rupees Four Thousand Five hundred & seventeen Only) per Pre-Series A1 CCPS including the nominal value of INR 10 (Indian Rupees Ten Only) and premium of INR (Indian Rupees 4507 Only), free of all Encumbrances and provided in detail in Clause 5.3
- 1.1.42 "**IPV Investors Subscription Amount**" shall mean INR 1,46,93,801 (Indian Rupees One Crore Forty-Six Lakhs Ninety Three Thousand Eight Hundred and One Only) to be paid by the IPV Investors to the Company as consideration for the IPV Investors Subscription Securities provided in detail in Clause 5.3 and Schedule A
- 1.1.43 "**IPV Investors Subscription Securities**" shall mean 3253 Pre-Series A1 CCPS, to be issued to the IPV Investors at a price of INR 4517 (Indian Rupees -Four Thousand Five hundred & seventeen Only) per Pre Series A1 CCPS, including the nominal value of INR 10 (Indian Rupees Ten Only) and premium of INR (Indian Rupees 4507 Only), free of all Encumbrances and provided in detail in Clause 5.3 and Schedule A
- 1.1.44 "**IPO**" or "**Public Offer**" shall mean the initial public offering of the Securities of the Company whether in the form of a primary issuance or an offer for sale or a combination of a primary issuance and an offer for sale on a stock exchange mutually agreed by the Founder and the New Investors and consequent listing of the Securities of the Company on such stock exchange;

1.1.45 "**IPV Investors Nominee Director**" shall mean the director(s) to be nominated by the IPV Investors Representative on the Board with the consent of FirstPort Capital, on the Closing Date, and from time to time, in accordance with this Agreement;

1.1.46 "**IPV Investors Representative**" shall mean Mr. Ankur Mittal, who has been authorised as power of attorney holder of the IPV Investors, vide the respective power of attorney issued by the IPV Investors, to represent the IPV Investors for the purposes of and in relation to this Agreement;

1.1.47 "**IPV Investors Observer**" means observer to the Board appointed by the IPV Investors Representative in lieu of the IPV Investors Nominee Director; with the consent of FirstPort Capital.

1.1.48 "**Investment Facilitator Permitted Recipient**" shall mean the Investment Facilitator's representatives, directors, officers, employees, agents and advisors, provided that such persons are subject to the same confidentiality obligations as the Investment Facilitator under this Agreement;

1.1.60 "**Investment Manager Representative**" shall mean Mr. Mitesh Shah, designated partner in FirstPort Ventures LLP, a limited liability partnership, authorized to execute and do all such deeds to enforce this Agreement on behalf of FirstPort Capital

1.1.61 "**Key Managerial Personnel**" or "**KMP**" shall mean the management team of the Company consisting of the Founder, and other key employees meeting any one of the following:

- a. drawing consolidated remuneration of Rs. 30 Lakh p.a. and above;
- b. drawing consolidated remuneration of Rs. 24 Lakh p.a. and above and ESOP Rights not less than 5% of ESOP Pool;
- c. ESOP Rights not less than 15% of ESOP Pool;
- d. any other Person as may be identified as KMP by the Board or meaning ascribed to it in the Act from time to time;

1.1.62 "**Knowledge**" shall mean (i) with respect to any Person, the actual knowledge of such Person and the knowledge such Person would have after conducting an inquiry that would be reasonable under the circumstances and (ii) in the case of the Company, it shall mean the Knowledge of the Founder;

1.1.63 "**Liquidation Event**" shall (at the option of the Investors) mean any of the following:

- i. commencement of any proceedings for the voluntary winding up of the Company in accordance with the Applicable Law or the passing of an order of any court appointing a provisional liquidator or administrator in any other proceeding seeking the winding up of the Company or the liquidation of the Company; or
- ii. the consummation of a consolidation, merger, acquisition, reorganization or change of Control, or other similar transaction (whether in one or a series of transactions) of the Company resulting in its Shareholders (immediately prior to such transaction), collectively, retaining less than a majority of the voting power of the Company or power control the board of directors of the the surviving entity immediately following such transaction; or
- iii. a sale, lease, license or other Transfer of over 50% (fifty percent) of the Securities (including strategic sale, Trade Sale and sale pursuant to exercise of Drag Along Right) or any significant block of Assets of the Company (including any Business-related Intellectual Property of the



Company) or any Transfer of the Assets belonging to a Group Company which results in a Transfer of substantial Assets of the Company.

1.1.64 "**Losses**" shall collectively mean all such losses, claims, damages, proceedings, penalties, judgments and expenses including legal costs, actual fees, disbursements and other charges of counsel which are incurred by the Indemnified Party but specifically excluding any special, indirect, consequential, incidental, exemplary or punitive damages, including loss of business reputation or opportunity or for diminution in value or lost profits;

1.1.65 "**Material Adverse Effect**" shall mean any event, occurrence, fact, condition, change, development or effect that is or may be individually or in the aggregate (i) having materially adverse effect on the historical, near term or long-term, the financial conditions, properties, liabilities, Business, operations, prospects, results of operations, condition (financial or otherwise and including without limitation any material increase in provisions), properties (including intangible properties), Assets or liabilities of the Company; or (ii) materially impairs the ability of the Company and/or the Founder to perform its/their obligations hereunder or to consummate the transactions contemplated hereby, or to execute or be bound by the terms and conditions contained in the Agreement; or (iii) materially impacts the validity or enforceability of any of the Transaction Documents, the validity or enforceability of any of the transactions contemplated thereunder, or of the rights or remedies of the Investors or (iv) a Force Majeure Event;

1.1.66 "**Material Breach**" shall, unless expressly waived by the Investors, mean;

- a. breach of material provisions of the Transaction Documents and the employment agreements of Founder that have a Material Adverse Effect on the transaction contemplated herein. Provided that such Material Adverse Effect has not occurred due to a Force Majeure Event; or
- b. breach of any material representations and warranties made by the Company and the Founder that have a Material Adverse Effect on the transactions as contemplated herein. Provided that such Material Adverse Effect has not occurred due to a Force Majeure Event;

1.1.67 "**New Investors Representative**" shall mean IPV Investors Representative and Investment Management Representative

1.1.68 "**Permitted Transfers**" means a Transfer up to 5 (five) percent of the Securities held by a Founder/ KMP as on the Closing Date to any third party except a Competitor.

1.1.69 "**Person**" shall mean and include any natural person, limited liability company, corporation, general partnership, limited partnership, proprietorship, trust, union, association, court, tribunal, agency, government, ministry, department, commission, self-regulatory organization, arbitrator, board, or other entity, enterprise, authority, or business organization whether incorporated or not;

1.1.70 "**Pre Series A1 CCPS**" means compulsorily convertible cumulative preference shares to be issued by the Company to the New Investors pursuant to the Agreement, having the terms and conditions as set forth in **Schedule P**;

1.1.71 "**Pre Series A1 CCPS Subscription Price**" means INR 4,517 (Indian Rupees Four Thousand Five Hundred and Seventeen only only) including the nominal value of INR 10 (Indian Rupees Ten Only) and premium of INR 4,507 (Indian Rupees Four Thousand Five Hundred and Seven Only), being the

price of each Pre Series A1 CCPS paid by the New Investors to subscribe to the Investors Subscription Securities;

1.1.72 **"Pro Rata Share"** means that portion of the Dilution Instruments that equals the ratio that (i) the number of Dilution Instruments owned by the relevant Shareholder (measured on an As If Converted Basis) bears to (ii) the total number of Equity Shares of the Company then outstanding (measured on an As If Converted Basis) while excluding from such calculations the Dilution Instruments to be issued by the Company at the time of making such calculation;

1.1.73 **"Related Party"** shall mean

- a) any director, Shareholder or Affiliate of the Company,
- b) any Affiliate of any of the Founder, and /or
- c) any other Persons as are defined as "related party" under the Act;

1.1.74 **"Relative"** shall have the same meaning ascribed to it under the Act;

1.1.75 **"Reserved Matters"** shall have the meaning ascribed to it in Clause 8.9.6;

1.1.76 **"Respective Investment Amounts"** means the consideration related to the amount of investment being made by each IPV Investor;

1.1.77 **"Securities"** or **"Shares"** shall mean collective reference to equity capital, Equity Shares, preference shares, Investors Subscription Securities, membership interests, partnership interests, joint ventures, or other ownership interests of the Company or any options, warrants or other securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, such equity capital, Equity Shares, membership interests, partnership interests or other ownership interests (whether or not such derivative securities are issued); issued to the Existing Investor(s) and other Shareholders, and after the Closing, as the case may be includes any and all Equity Shares of the Company that may be issued to the Existing Investors and other Shareholders upon conversion of one or more **Pre-Series A1 CCPS**, together with any Shares or Dilution Instruments of the Company issued to or acquired by the Existing Investor(s) and other Shareholders, as adjusted for any capital reorganization including any stock splits, consolidation, sub-division, bonus issuances, capitalization of profits and rights issuances;

1.1.78 **"Shareholders"** mean the holders of any Securities of the Company, whose names are entered in the register of members of the Company from time to time;

1.1.79 **"Share Capital"** shall mean the total paid up share capital of the Company determined on a Fully Diluted Basis;

1.1.80 **"Taxes"** or **"Tax"** shall mean all forms of taxation present & future, duties (including stamp duties), levies, imports, whether direct or indirect including corporate income tax, service tax, wage withholding tax, GST, customs and excise duties, capital tax and other legal transaction taxes, dividend withholding tax, land taxes, environmental taxes and duties and any other type of taxes or duties payable by virtue of any applicable national, regional or local law or regulation; together with any interest, penalties,



surcharges or fines relating to them, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction;

1.1.81 "**Transaction**" shall mean the consummation of the subscription to the New Investors Subscription Securities by the New Investors as per this Agreement;

1.1.82 "**Transaction Documents**" means this Agreement, the Amended Articles and any other document or agreement that the Parties may mutually agree to classify as a Transaction Document;

1.1.83 "**Transfer**" (including the terms "**Transferred**" and "**Transferability**") shall mean to directly or indirectly, transfer, sell, assign, Encumber in any manner, place in trust (voting or otherwise), exchange, gift or transfer by operation of law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily;

1.1.84 "**Valuation Report**" or "**Valuation Certificate**" shall mean a valuation report/certificate issued by a Registered Valuer under the Companies Act, 2013 and issued by an independent chartered accountant/merchant banker or such other valuer as required under the Income Tax Act, FEMA/RBI Regulations or other Applicable Law that supports the **Pre-Series A1 CCPS** Subscription Price.

1.1.85 "**Warrantors**" shall mean the Company and the Founder, jointly and severally;

1.1.86 "**Warranties**" shall mean the representations and warranties of the Warrantors as set forth in Clause 6 and **Schedule I** hereto (*Representations and Warranties of the Company and the Founder*).

## 1.2 INTERPRETATION

In this Agreement, unless the context thereof otherwise requires:

- a) Reference to singular includes reference to the plural and vice versa.
- b) Reference to any gender includes a reference to all genders.
- c) Reference to a Party hereunder shall include such Party's legal heirs, executors, administrators, successors, assigns, transferees and permitted assigns.
- d) The expressions "hereof", "herein" and similar expressions shall be construed as references to this Agreement as a whole and not limited to the particular Clause or provision in which the relevant expression appears.
- e) The words "including" and "includes" herein shall always mean "including, without limitation" and "includes, without limitation", respectively.
- f) The expression "this Clause" shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (not merely the sub-Clause, paragraph or other provision) in which the expression occurs.
- g) Any reference to books, files, records or other information or any of them means books, files, records or other information or any of them in any form or in whatever medium held, including paper, electronically stored data, magnetic media, film and microfilm.
- h) Any reference to any agreement or document shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document.
- i) The descriptive headings of clauses, sub-clauses, sections and sub-sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such

- clauses, sub-clauses, sections and sub-sections.
- j) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done, shall be calculated by excluding the day on which the period commences and including the day on which the period ends, and by extending the period to the next Business Day if the last day of such period is not a Business Day. Whenever any payment is to be made or any action is to be taken under this Agreement on a day other than a Business Day, such payment shall be made, or action taken on the next Business Day.
- k) References to Recitals, Sections, Clauses, Paragraphs, Schedules and Annexures shall be deemed to be a reference respectively to recitals, sections, clauses, paragraphs of and schedules and annexures to this Agreement.
- l) Consent of any Party shall always mean prior written consent.
- m) The words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words where a wider construction is possible.
- n) The headings and titles in this Agreement are indicative and shall not be deemed part of this Agreement or taken into consideration in the construction of this Agreement.
- o) Any reference to any statute or statutory provision shall include:
- (a) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
  - (b) such provision as from time to time amended, modified, re-enacted or consolidated (whether before, on or after the date of this Agreement) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under the Transaction Documents as applicable, and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced.
- p) Reference to "best efforts", "best endeavours", "reasonable endeavours", "reasonable efforts" and other phrases of like meaning shall mean that the concerned Person shall take all steps to comply with the relevant requirement, but such Person shall not be obligated to take steps that are materially detrimental to that Person.
- q) References to the shareholding of any Person in the Company shall refer to the shareholding of such Person computed on a Fully Diluted Basis.
- r) Time is of the essence in the performance of the Parties' respective obligations. Any time period specified for performance shall be deemed to stand extended to include any time period required for obtaining any approval/ consent from any Governmental Authority. If any time period specified herein is extended, such extended time shall also be of the essence.
- s) The Parties have participated jointly in the negotiation and drafting of this Agreement. Accordingly, in the event an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provisions of this Agreement.
- t) The Investors are not "promoters" of the Company for the purposes of any regulations under Applicable Law. The Company and the Founder will take all necessary steps to ensure that the Investors are not considered as Founder of the Company (including in any documents and filings).

## **2. EFFECTIVE DATE AND ENTIRE AGREEMENT**

- 2.1 The Agreement, except for the provisions listed in Clause 2.2 below, shall come into effect from the Execution Date and shall continue to be in effect unless terminated in the manner stated in Clause 23.
- 2.2 Notwithstanding the foregoing, the provisions of Clauses 8 (Corporate Governance), 9 (General Meetings), 10 (Information & Inspection Rights), 11 (Covenants), 12 (Exit of the Investors), 13 (Share Transfers), 14 (Restriction on Founder Shares), 15 (Investors' Pro-rata Pre-emptive Right), 16 (Investment Facilitator's First Pre-emptive Right), 17 (Anti-Dilution Protection), 18 (Liquidation Preference), 19 (Non-Compete and Non-Solicit) and 20 (Cause/ Event of Default/ Material Breach), of the Agreement except to the extent applicable shall only become effective on and from the Closing Date after Closing has occurred.
- 2.3 It is hereby clarified that the IPV Investors will act, execute and do all such deeds to enforce this Agreement through IPV Investors Representative on behalf of all the IPV Investors, who each have given the power of attorney to him. This Agreement read with other Transaction Documents represents the entire agreement between the Parties in relation to the terms of the matters contained in this Agreement and shall supersede and extinguish the term-sheet and any previous drafts, agreements or term sheets between all or any of the Parties (whether oral or in written) relating to the subject matter herein.

## **3. SUBSCRIPTION TO THE SECURITIES**

- 3.1 The capital structure and the shareholding pattern of the Company as on the Execution Date is detailed in **Schedule B** hereto.
- 3.2 Subject to the terms of this Agreement and relying on the Warranties to be provided by the Warrantors on the Closing Date, the New Investors hereby agree to subscribe to, and the Company hereby agrees to allot and issue to the New Investors, the New Investors Subscription Securities. The New Investors shall pay to the Company their respective portion of the New Investors Subscription Amount, in consideration of which the Company shall issue and allot to the New Investors, the respective number of such Investors Subscription Securities in accordance with Clause 5.3 hereto. The details of the IPV Investors' individual investment sum and respective subscription of Pre Series A1 CCPS is set forth in **Schedule A** hereto. Notwithstanding anything to the contrary contained in this Agreement, the IPV Investors as listed out in **Schedule A** hereto who fail to invest the Respective Investment Amount towards subscription of the Pre Series A1 CCPS on the Closing Date shall be deemed to have been deleted from the IPV Investors' list (**Schedule A**) and will no longer form a part of the 'IPV Investors' under this Agreement. Further in case of the FirstPort Capital / IPV New Investors who subscribe the amount shorter than the individual subscription amount towards subscription of Pre Series A1 CCPS shares by the last date of subscription shall be deemed to have contributed such short amount only.

## **4. CONDITIONS PRECEDENT FOR CLOSING**

- 4.1 The obligation of the New Investors to invest the respective New Investors Subscription Amount and subscribe to the respective New Investors Subscription Securities, and the obligation of the Company to issue and allot the New Investors Subscription Securities, shall be subject to the fulfilment (unless

specifically waived in writing by the New Investors) of the Conditions Precedent as set forth in **Schedule F** hereto in a form and manner satisfactory to the New Investors.

- 4.2 The Company shall fulfil or procure the fulfilment, to the satisfaction of all the New Investors, the Conditions Precedent as soon as possible and in any event by or before 30 (thirty) calendar days from the Execution Date or any later date as may be mutually agreed between the New Investors, the Company and the Founder in writing ("**Long Stop Date**"). If the Conditions Precedent have not been satisfied (or waived by the New Investors Investors in writing) on or prior to such Long Stop Date, the New Investors shall have the right to terminate this Agreement immediately by written notice and no Party shall have any further rights or obligations under this Agreement post such termination, except pursuant to any terms of this Agreement, which are expressly stated to survive the termination of this Agreement.
- 4.3 The Founder and the Company shall immediately upon the satisfaction of all the Conditions Precedent deliver to the New Investors a letter in a form set out at Schedule G ("**CP Fulfilment Certificate**") and enclosing copies of all necessary documentary evidence supporting the statements in such letter, confirming that the Conditions Precedent have been satisfied or, to the extent that they have not been satisfied, requesting the New Investors to, subject to applicable Law, waive or extend the time for fulfilment of such unsatisfied condition(s). If the Conditions Precedent are not satisfied, or waived (where applicable) by the New Investors, on or before the Long Stop Date, or such later date as may be mutually decided by the New Investors and the Company, this Agreement shall stand terminated.

## 5. CLOSING AND POST CLOSING ACTIONS

- 5.1 Subject to the provisions of Clause 4 and the New Investors being satisfied of the fulfilment of, or having waived (in writing) the Conditions Precedent, the New Investors, the Company and the Founder shall consummate the transactions contemplated in Clause ~~Error! Reference source not found.~~ ("**Closing**") at the registered office of the Company or such location as may be agreed by the New Investors and the Company and on such date within 10 (ten) days of the receipt of the CP Fulfilment Certificate by the New Investors and, if any deficiency notice in relation to CP Fulfilment Certificate is issued by the New Investors, then such other date that is mutually agreed to among the Parties ("**Closing Date**").
- 5.2 All transactions contemplated by this Agreement to be consummated at the Closing shall be deemed to occur simultaneously and no such transaction shall be deemed to be consummated unless all such transactions are consummated. It is clarified that, if for some unavoidable reason, the events contemplated under Clause 5.3 occur on different dates, the date on which last event occurs shall be deemed to be the Closing Date. However, Closing in terms of SSSHA with respect to FirstPort Capital shall be held only post receipt of requisite consent of the contributors of FirstPort Capital in accordance with its Material documents and Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
- 5.3 On the Closing Date:
- (a) Each IPV Investor shall transfer the Respective Investment Amounts, in manner stated in Schedule A hereto and each remaining New Investor shall transfer their portion of Investor Subscription

Amounts, to the Company's Bank Account by way of deposit of cheque/RTGS and furnish to the Company the UTR number provided by the banker of New Investors.

- (b) The Company shall, and the Founder shall cause the Company to, hold a Board meeting to pass appropriate resolution for the allotment of respective New Investors Subscription Securities to New Investors and in case of each of the IPV Investors in the manner stated in Schedule A.
  - (c) The Company shall, and the Founder shall cause the Company to, enter the name of each New Investor in the register of members of the Company as the registered owner of their respective Investors Subscription Securities and provide a certified copy of the same to the New Investors.
  - (d) The Company shall, and the Founder shall cause the Company to issue and deliver to the New Investors duly stamped, sealed and signed share certificates representing their respective Investors Subscription Securities.
  - (e) The Company shall, and the Founder shall cause the appointment of the FirstPort Capital Nominee Director/IPV Investors Nominee Director as additional Director or IPV Investors Observer or FirstPort Capital Observer, as the case may be, on the Board of the Company.
  - (f) The Company shall, and the Founder shall cause to convene a Shareholders' meeting to approve and adopt the Restated Articles and appoint FirstPort Capital Nominee Director/IPV Investors Nominee Director/ IPV Investors Observer/ FirstPort Capital Observer to the Board.
  - (g) The Company shall, and the Founder shall cause the Company to deliver copies of all necessary statutory and legal approval receipts to the New Investors.
  - (h) The Founder shall deliver a written confirmation to the New Investors confirming that (i) no Material Adverse Effect has occurred, and (ii) the Warranties continue to be true and correct on the Closing Date.
- 5.4 The capital structure and the shareholding pattern of the Company after Closing shall be as detailed out in Schedule C hereto.
- 5.5 Not later than 14 (fourteen) days from the Closing Date or such other day as may be required under Applicable Law, whichever is earlier, the Company shall, and the Founder shall cause the Company to make all the requisite filings required to be made with Governmental Authorities with respect to the issuance of New Investors Subscription Securities to the New Investors, including but not limited to filing corporate compliance actions with the relevant registrar of companies (consisting of filing of all requisite forms for the allotment of the New Investors Subscription Securities, appointment of FirstPort Capital Nominee Director /IPV Investors Nominee Director/ IPV Investors Observer/FirstPort Capital Observer, if any, and the adoption of the Restated Articles). The Company shall, immediately upon filing



each of the aforesaid forms, deliver to the New Investors a certified true copy of the relevant form, along with the receipt.

- 5.6 The Company shall, and the Founder shall cause the Company to, duly fulfil each of the Conditions Subsequent to the satisfaction of the New Investors as per the timelines prescribed for the fulfilment of such conditions.

## **6. REPRESENTATIONS AND WARRANTIES**

- 6.1 The Company and the Founder, jointly and severally, represent and warrant to the New Investors such Representations and Warranties as set out in **Schedule I** hereto. The Warrantors hereby acknowledge that the New Investors are entering into this Agreement relying on such Representations and Warranties.
- 6.2 Each of the Company Representations and Warranties is made as on (and is true and accurate as on) the Execution Date and the Closing Date.
- 6.3 The representations and warranties of each of the New Investors to the Company and the Founder are as set out in **Schedule J** ("New Investors Representations").

## **7. PRE-CLOSING CONVENANTS**

From the Execution Date through to the Closing Date, the Company shall, the Founder shall procure that (i) the Company shall conduct its business in a manner so as to ensure that no event occurs which result in a Material Adverse Effect, (ii) the Warranties shall continue to be true and correct till the Closing Date as if made on and as of the Closing Date, and (iii) the Company shall not, without the prior written consent of the Investors, take any action or decision in relation to any Reserved Matter.

## **8. CORPORATE GOVERNANCE**

- 8.1 The Board shall be composed of the following 2 members:
- 8.1.1 Subject to Founder's continuous employment with the Company, the Founder shall have the collective right to appoint 2 (Two) Directors on the Board ("**Founder Directors**"), out of which at least 1 (One) Director shall at all times be the Founder. The Founder shall at any given time be required to satisfy the minimum number of Directors required to be appointed by the Company under the Act;
- 8.1.2 The FirstPort Capital shall have the right (but not the obligation) to cause the appointment, removal and substitution of 1 (one) Director to the Board; the FirstPort Capital Nominee Director representing FirstPort Capital, shall be appointed by the Investment Manager Representative. During the period if FirstPort Capital has not appointed its Director to the Board, IPV Investors Representative shall have the right (but not the obligation) to cause the appointment, removal and substitution of 1 (one) Director to the Board with the consent of FirstPort Capital. (IPV Investors Nominee Director)
- 8.1.3 The FirstPort Capital shall have the right (but not the obligation) to cause the appointment, removal and substitution of 1 (one) observer to the Board in lieu of the FirstPort Capital Nominee Director; the FirstPort Capital Nominee Director representing the FirstPort Capital shall be appointed by the Investment Manager Representative; During the period if FirstPort Capital has not appointed its Observer (FirstPort Capital Observer) to the Board, IPV Investors Representative shall have the right (but not the obligation) to cause the appointment, removal and substitution of 1 (one) Observer to the Board with the

consent of FirstPort Capital.(IPV Investors Observer)

- 8.1.4 It is hereby clarified that the IPV Investors shall have the right to require the removal and / or replacement of the IPV Investors Nominee Director and / or the IPV Investors Observer and FirstPort Capital shall have the right to require the removal and / or replacement FirstPort Capital Nominee Director/FirstPort Capital Observer at any time;
- 8.2 FirstPort Capital Nominee Director/IPV Investors Nominee Director shall be non-executive Director and shall not be liable to retire by rotation. FirstPort Capital Nominee Director/IPV Investors Nominee Director shall have all the rights enjoyed by other Directors on the Board, and any other rights under Law. FirstPort Capital Nominee Director/IPV Investors Nominee Director shall not be required to hold any qualification shares.
- 8.3 At any time after the Closing Date, the size of the Board may be increased pursuant to the terms and conditions of this Agreement. It is hereby clarified that all references to the rights and obligations of the FirstPort Capital/IPV Investors Nominee Director as the case may be, (including quorum requirements) shall apply only upon the FirstPort Capital/IPV Investors and exercising its right to nominate the FirstPort Capital Nominee Director/IPV Investors Nominee Director. Until the IPV Investors Nominee Director/FirstPort Capital nominee Director is appointed on the Board, for all approval requirements and references to "IPV Investors Nominee Director"/"FirstPort Capital Nominee Director" shall mean the prior written consent of the IPV Investors Representative/Investment Manager Representative.
- 8.4 Appointment to Committees: In addition to the FirstPort Capital/IPV Investors right to nominate a Director on the Board, the FirstPort Capital/IPV Investors/IPV Investor Representative/Investment Manager Representative shall also have the right to nominate FirstPort Capital Nominee Director/IPV Investors Nominee Director/ IPV Investors Observer/FirstPort Capital Observer on all committees formed by the Board.
- 8.5 Notice of Agenda: IPV Investors Representative, Investment Manager Representative and Co-Investors shall be entitled to receive all notices, agenda (and all information and documents circulated to the Board in connection with meetings of the Board) and to attend all Board Meetings.
- 8.6 The Company and the Founder expressly agree and undertake that the IPV Investors Observer, FirstPort Capital Observer shall be a non-executive non-voting observer appointed in accordance with the applicable Laws. If FirstPort Capital Nominee Director/IPV Investors Nominee Director/ IPV Investors Observer/ FirstPort Capital Observer as the case may be, resigns, vacates or is removed from office for any reason, the resulting casual vacancy may only be filled by a Person nominated by IPV Investors Representative/ Investment Manager Representative, as the case may be.
- 8.7 The Founder and the Company expressly agree and undertake that the IPV Investors Representative and/or IPV Investors Nominee Director, IPV Investors Observer/ FirstPort Capital Nominee Director/FirstPort Capital Observer(if any), shall not be, responsible for the day to day management or affairs of the Company and shall not be identified as an "officer in default" or an "occupier of premises" of the Company for the purposes of any statute and shall accordingly not be liable for any default or failure of Company in complying with the provisions of any applicable Law.
- 8.8 The Company expressly agrees to indemnify the IPV Investors Representative, IPV Investors Nominee Director, IPV Investors Observer/ FirstPort Capital Nominee Director/FirstPort Capital Observer (if any) for any liability, cost or expense (including legal expenses) accruing, incurred, suffered, and /or borne by them in connection with any act, omission or conduct (including, contravention of any Law) of or by the Company, its officials, employees or representatives, or the Shareholders (other than the Investors), as a result of which, the IPV Investors Representative, IPV Investors Nominee Director, IPV Investors Observer/ FirstPort Capital Nominee Director/FirstPort Capital Observer (if any), is made party to, or

otherwise incurs any claims or Losses including a loss pursuant to or in connection with, any action, suit, claim or proceeding arising out of or relating to any such act, omission or conduct. Notwithstanding anything stated in this Agreement, it is hereby clarified that such indemnification shall survive. (i) cessation of relevant IPV Investors Nominee Director/ IPV Investors Observer/ FirstPort Capital Nominee Director/FirstPort Capital Observer as the case may be, as a Director/Observer on the Company /subsidiary, and (ii) termination of this Agreement.

**8.9 Board Meetings:**

- 8.9.1 The Board shall meet once in every quarter in accordance with applicable Laws subject that difference between two meetings shall not be more than 120 days. Participation shall be in person or any medium recognized by applicable Laws. The Directors may participate and vote in Board meetings by way of audio visual or other electronic means in the manner permitted under Law.
- 8.9.2 **Quorum:** The quorum for a Board Meeting, shall be as prescribed under the Act, provided that in case the IPV Investors/FirstPort Capital nominate the IPV Investors Nominee Director/FirstPort Capital Nominee Director then such quorum must include the IPV Investors Nominee Director/FirstPort Capital Nominee Director as the case may be, together with a Founder Director, in order to constitute a valid quorum for the Board meeting, unless the FirstPort Capital /IPV Investors Nominee Director has waived the said requirement in writing. Notwithstanding the above, the quorum for any Board meeting where a Reserved Matter is tabled for discussion shall include the FirstPort Capital Nominee Director/IPV Investors Nominee Director, if so nominated together with a Founder Director unless such FirstPort Capital Nominee Director/IPV Investors Nominee Director/ has waived the said requirement in writing.
- 8.9.3 **Notice:** Written notice of at least 7 (seven) days of each meeting of the Board or a committee thereof shall be given to each of the Directors and observers on the Board; provided that a meeting may be convened by a shorter notice with consent of all the Directors. The notice of each Board meeting shall include an agenda setting out in detail the items of business proposed to be transacted at a meeting of the Board or committee thereof. Unless waived in writing by all Directors and observers on the Board, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board.
- 8.9.4 **Resolutions:** Subject to Clause 8.9.6 below (*Investor Protection /Reserved Matter*), the decision of the Board shall be said to have been made only (a) if such meetings are validly constituted; and (b) such decisions are approved of by majority of the Directors present (physically or through any other means permissible by Applicable Law) and voting at such meeting.
- 8.9.5 **Circular Resolutions:** Subject to Applicable Law, the Board may act by circular resolution, on any matter, except (i) any Reserved Matters; or (ii) any matters which by Applicable Law may only be acted upon at a meeting of the Board. Notice of all circular resolutions shall be given to all Directors and observers to the Board irrespective of whether they are present in India or not, at their usual address, or through electronic means. The notice for circular resolution shall provide such information required to make a fully informed good faith decision with respect to such resolution. In case any Reserved Matter is being passed through a circular resolution, the process set out in Clause 8.9.6 below, shall be followed.
- 8.9.6 **Investors Protection /Reserved Matters:** Notwithstanding anything contained in this Agreement, neither the Company nor any of its Shareholders (other than Investors), Directors, committees, employees, agents or any of their respective delegates shall, without the prior affirmative written consent or approval of the Investors take any decision or action in relation to any of the matters including, without limitation, the matters set forth in **Schedule E** hereto (the "**Reserved Matters**"), whether in any Board Meeting, meeting of a committee of Directors, Shareholders' meeting, through any resolutions by circulation or otherwise, with respect to the Company. Further, the Investors shall be entitled to the affirmative vote rights as set out herein in all the subsidiaries of the Company. The Reserved Matters shall not be resolved



without obtaining Investors' Consent. The procedure for obtaining Investors' Consent shall be as provided under Clause 8.9.7.

**8.9.7 Procedure for obtaining Investors' Consent**

8.9.7.1 In order to obtain Investors' Consent, the Company shall send a written notice to the New Investors Representative /IPV Investors Nominee Director, IPV Investors Observer, if any /FirstPort Capital Observer, if any ("**IPM Notice**")/Existing Investors simultaneously with the notice being sent for convening the Board meeting or Shareholders' meeting at which the Reserved Matter is proposed to be discussed. If neither of IPV Investors Nominee Director and IPV Investors Observer/FirstPort Capital Observer has been nominated, then the IPM Notice shall be sent to the New Investors Representative. If any decision and/or resolution is effected without complying with the provisions of this Clause then (a) such decision or resolution (including a circular resolution) on a Reserved Matter shall not be valid or binding on any Person including the Company; and (b) the Company shall not take any action pursuant to such decision or resolution unless IPV Investors and FirstPort Capital Consent is obtained for the same. The Company and the Founder shall provide all necessary information and material to the FirstPort Capital Nominee Director/IPV Investors Nominee Director/ IPV Investors Observer/ IPV New Investors Representative /FirstPort Capital Observer/ Existing Investors to enable him to make a decision relating to the Reserved Matters. The Company shall be required to procure IPV Investors and FirstPort Capital Consent from the IPV Investors Nominee Director/ IPV Investors Observer/ FirstPort Capital Nominee Director/ FirstPort Capital Observer /New Investors Representative and Existing Investors' Consent as the case may be, under this Clause.

8.9.7.2 In the event the Company proposes to take any action with respect to a Reserved Matter which is not required to be resolved at a Board or Shareholders meeting, then the Company shall deliver a notice to the FirstPort Capital Nominee Director/IPV Investors Nominee Director/ IPV Investors Observer/ FirstPort Capital Observer/ New Investors Representative/Existing Investors as the case may be, setting out the relevant details of the matter. The FirstPort Capital Nominee Director/IPV Investors Nominee Director/ IPV Investors Observer/ FirstPort Capital Observer/ New Investors Representative/ Existing Investors Representative shall make best efforts to send its response within 7 (seven) days of the receipt of the aforesaid notice or after receipt of additional information that may be sought by the New Investors Representative/ Existing Investors Representative from the Company. It is clarified that there shall be no implied consent to Reserved Matters in the event of a failure to respond within the stipulated time period.

**9. GENERAL MEETING**

9.1 Annual Meetings: The annual general meeting of the Shareholders meeting of the Company shall be held as per the provisions of the Act. Provided that, the Board shall, at the request of all the Investors, convene a Shareholders meeting.

9.2 Notice: A general meeting of the Shareholders shall be convened by serving at least 21 (twenty-one) days written notice to all Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the general meeting; provided that a meeting may be convened by a shorter notice in accordance with applicable Law, but shall necessarily require the prior consent of the Investors and the Founder.

9.2 Quorum: The quorum for a general meeting of the Shareholders, shall be as prescribed under the Act; provided that such quorum must include an authorized representative of the New Investors (unless waived by the Investors in writing), in order to constitute a valid quorum for the meeting.

- 9.3 If on the date of the general meeting, a valid quorum is not present within 1 (one) hour of the scheduled time of the general meeting, the meeting shall automatically stand adjourned to the same day and time and at the same venue in the following week, or if that day is not a Business Day, on the next Business Day, at the same time and place and Shareholders present at such meeting shall form good quorum and will be entitled to decide on all matters, excluding the Reserved Matters, unless prior Investors approval has been procured in relation to such Reserved Matter.
- 9.4 Each of the Investors and the Founder agree that at any general meeting duly convened for the purpose of voting on any matter required to be transacted by the Shareholders, they may be present in person through their duly authorized representatives, or a proxy, appointed in accordance with the applicable provisions of the Act for the purpose of complying with the requirements of a valid quorum, and shall vote on all Securities owned and held by them at such general meeting in accordance with this Agreement. Subject to applicable Law, the Shareholders may participate (including for purposes of determining quorum and voting purposes) in general meetings by telephone or video conference.
- 9.5 Each of the Shareholders, hereby, undertakes to ensure that its representatives, proxies and agents representing them at general meetings shall at all times exercise their votes in respect of the Securities in such manner so as to comply with, and to fully and effectually implement, the provisions of the Transaction Documents.

#### **10. INFORMATION AND INSPECTION RIGHTS**

The Company shall furnish the following information to the New Investors Representative and Existing Investors;

- i. Annual audited financial statements within 150 (one hundred and fifty) days following the close of the preceding financial year along with the report of the statutory auditor on such financial statements;
- ii. Quarterly un-audited business reports 45 (forty-five) calendar days after the end of the quarter;
- iii. Monthly information reports (in the format as agreed with the Investors before the Execution Date) detailing the progress of the Company's business within a period of 10 (ten) Business Days from the last day of each month;
- iv. All material communication exchanged between the Company and its auditors or any Governmental Authority;
- v. All statutory notices received by the Company within 7 (seven) working days from the date of receipt; and
- vi. Internal Secretarial Audit report within 120 (one hundred and twenty) following the close of the preceding financial year by a Company Secretary appointed for the purpose of conducting secretarial audit.
- vii. such additional information as may be requested by the Investors.

- 10.3 If New Investors and Existing Investors requests any other information, the Company shall provide the same to the Existing Investors and IPV Investors and FirstPort Capital through the IPV Investors Observer/ FirstPort Capital Observer/ New Investors Representative
- 10.4 The Company and the Founder shall promptly notify the Investors of any Material Adverse Effect in the business, properties, assets or condition, financial or otherwise, of the Company, taken as a whole on a consolidated basis, and of any event or litigation or governmental proceeding or investigation pending or, to the reasonable knowledge of the Company, threatened against the Company, or against the Founder, any officer, director, key employee, KMP or principal shareholder of the Company materially affecting, or that, if adversely determined, would materially adversely affect, the Company's present or then proposed business, properties, assets or condition (financial or otherwise), and management's proposed response thereto, taken as a whole on a consolidated basis.
- 10.5 Inspection and Visitation Rights: In addition to the information and materials to be provided under Clause 10.1, as long as the Investor(s) have at least 1% (one percent) shareholding in the Company, the Company shall permit such Investors, at all times, upon notice of at least 7 (seven) Business Days, to visit the offices of the Company to inspect their books, material contracts, accounts and such other documents.

## **11. COVENANTS**

- 11.1 Use of Proceeds: The New Investors Subscription Amount shall be utilized by the Company strictly in accordance with the Business Plan of the Company as approved by the New Investors. It is hereby clarified that, New Investors Subscription Amount shall not be used by the Company for repayment of Founder or Founder's relatives' liabilities or any other outstanding expenses/ debt (secured or unsecured).
- 11.3 Conduct of Business: The Company shall, and the Founder shall cause the Company to, conduct its Business and affairs in accordance with good industry practices, applicable Laws and any approvals received in terms thereof.
- 11.4 Anti-Corruption: The Company represents, covenants and undertakes that it shall not and shall not permit any of its subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to promise, authorize or make any payment to, or otherwise contribute any item of value, directly or indirectly, to any third party in violation of the applicable anti-bribery or Anti-Corruption Laws. The Company further covenants, undertakes and represents that it shall and shall cause each of its subsidiaries and Affiliates to cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or Affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the applicable anti-bribery or Anti-Corruption Laws. The Company further covenants, undertakes and represents that it shall and shall cause each of its subsidiaries and Affiliates to maintain systems of internal controls (including, but not limited to, accounting systems,

purchasing systems and billing systems) to ensure compliance with the applicable anti-bribery or Anti-Corruption Laws.

- 11.5 **D&O Insurance:** The Company shall maintain adequate directors' and officers' liability insurance for all the members of its Board, in a form and of an amount acceptable to the Investors.
- 11.6 **Key Person Insurance:** The Company shall procure key person insurance for senior management team members, as identified by and that are satisfactory to, the Board and Founder, subject to reasonable cost.
- 11.7 **Legal Counsel:** The Company shall retain a Company counsel mutually acceptable to the Investors and Founder.
- 11.8 **ESOP:** Prior to the Closing Date, the Company shall maintain a notional ESOP pool comprising of 6,430 CCPS, approximately 10% (Ten percent) of the share capital on a Fully Diluted Basis, with each such option convertible in the ratio of 1:1 (i.e. for every 01 ESOP option the option holder shall be allotted 01 Equity Share), for the benefit of employees (other than Founder). Further, the ESOP Pool will not dilute the shareholding of New Investors. Adoption of a new employee stock option program or any other stock incentive plan, or any increase in the number of options issuable under any program or plan already in effect at the time of the investment by the investor, would require a specific approval from the Investors. The stock options granted pursuant to the ESOP scheme adopted by the Company, with the Investors' approval, shall vest within 4 (Four) years from the date on which such stock options are granted ("Grant Date") in the following manner: (i) 25% (Twenty Five Percent) shall vest on the first anniversary of the Grant Date; and (iii) the remaining 75% (Seventy Five Percent) shall vest in equal quarterly instalments over a period of 3 (Three) years commencing from the first anniversary of the Grant Date. On occurrence of a Liquidation Event, all ESOPs which are not granted; subject to applicable Laws, will be granted to the Founder proportionately. It is clarified that such ESOPs will be pre-vested. In the event the Applicable Law does not permit ESOPs to be transferred to the Founder at the time of occurrence of the Liquidation Event, the Founder shall be entitled to further subscribe the shares to meet the intention of
- 11.9 **Communication with the Investors:** It shall be the Company's responsibility to cater to all documentations and postage of such documentation to the Investors directly which includes but is not limited to, documentation, postage of Share certificates, postage of executed copy of this Agreement and such other documents as may be required by Investors in their sole and absolute discretion.
- 11.10 **Promoter Status:** The Company and the Founder undertake that the Investors and/ or their Affiliates shall not be named or deemed as 'promoters' or 'sponsors' of the Company nor shall any declaration or statement be made to this effect, either directly or indirectly, in filings with regulatory or Governmental Authorities, offer documents or otherwise, without the prior written consent of the Investors.

## **12. EXIT OF THE INVESTORS**

- 12.1 The Company and the Founder shall undertake with best efforts from the Founder to complete during the period of 2 (Two) years beginning from the end of period of 4 (four) years from the Closing Date ("Exit Period") an IPO or a strategic sale or third-party sale, with the Investors' consent.
- 12.2 The failure of Company and Founder to provide an exit (a) at a price higher of 25% (twenty-five percent) annual compounded IRR on the respective Investors Subscription Amount or the Fair Market Value of the respective Investors Subscription Securities or (b) on the terms & conditions mutually acceptable to Investors, Company and the Founder ("Exit Price"), within such timelines shall not relieve the Company

/ Founder of their obligations to provide an exit to the Investors, which shall continue until the Investors cease to hold any Securities in the Company.

- 12.3 If an IPO in accordance with Clause 12.1 and 12.2 is not feasible, then the Company and the Founder shall undertake with best efforts to offer a strategic sale or a third party sale such that the Investors are provided with the opportunity to exit the Company at the Exit Price.
- 12.4 If the Company does not undertake an IPO or provide an exit in the form of a strategic sale or a third-party sale within the Exit Period or if the Founder are in breach of the employment agreement with the Company:
- 12.4.5 the Investors shall be entitled to call upon the Company to buy-back the Investors Subscription Securities within 90 (ninety) days of the issuance of the buy-back notice by paying the higher of 25% (twenty-five percent) annual compounded IRR on the respective Investors Subscription Amount or the Fair Market Value of the respective Investors Subscription Securities; or
- 12.4.6 the Investors, at their sole discretion, may decide to sell its Shares in the Company to a third party on the terms on which the Company raises a subsequent round of funding from such third party; or
- 12.4.7 the Investors shall have a right to drag the Shareholders including the Founder for a sale as described under Clause 12.7.1.
- 12.5 Further, if a buyback process is initiated by the Company (but not pursuant to an exit right under Clause 12.4 above), then the Investors shall be entitled to call upon the Company to buy-back the Securities held by the Investors within 90 (ninety) days of the issuance of the buy-back notice by paying the higher of 25% (twenty-five percent) annual compounded IRR on the respective Investors Subscription Amount or the Fair Market Value of the respective Investors Subscription Securities. For the purpose of this Clause 12.5, the fees of such valuation shall be paid by the Company.
- 12.6 The Founder and all other Shareholders of the Company (other than the Investors) undertake not to offer their Shares in such buyback by the Company. The rights provided to the Investors under this clause shall be accelerated in the event the Founder and/or the Company commit any breach of any of the Warranties, covenants and/or obligations under the Transaction Documents which has a Material Adverse Effect on the investment made by the Investors (provided that such Material Adverse Effect has not occurred due to a Force Majeure Event). However, exercise of such buyback rights by the Investors will not affect the indemnification obligations of the Founder. In lieu of the buyback right as specified above or the buy-back is not completed by the Company within the 90 (ninety) days period, the Investors shall have the right and discretion to call upon some or all of the Founder to participate in a trade sale ("Trade Sale") which may be by way of sale of the Founder's Securities to a purchaser identified by Investors, in terms and conditions determined by the Investors. The Founder will facilitate and co-operate with any such transfer, sale or merger, including by co-operating in any due diligence conducted by a



potential purchaser and providing all necessary information relating to the Company. All representations and warranties relating to the Company shall be provided by the Company and the Founder.

12.7 Drag Along by the Investors. Any of the following events shall be treated as events that shall entitle the Investors to exercise its drag along right under this Agreement ("**Drag Events**"):

- i. A petition for bankruptcy has been filed by a creditor for default in making any payments due and such petition has not been dismissed, stayed or if admitted, not vacated within 6 (six) months of such petition being filed;
- ii. Occurrence of a Liquidation Event;
- iii. Occurrence of an Event of Default and its continuance after the expiry of rectification period;
- iv. If the Company and Founder have failed to complete either an IPO or a trade sale or any other form of exit as mutually agreed by the Parties and acceptable to the Investors, within 6 (six) months of the expiry of the Exit Period.

12.7.1 The Drag Event and the Drag Along Right can be exercised with the written approval of the Investors, holding not less than majority of the Shares held by all the Investors in terms of their shareholding in the Company ("**Dragging Investors**").

12.7.2 Upon occurrence of a Drag Event, the Dragging Investors may jointly drag along the Founder and all other Shareholders and other investors of the Company, ("**Dragged Investors**") in a proposed sale of the Shares to any purchaser ("**Drag Along Right**"). The Drag Along Right shall be effectuated in the manner and to the extent set forth in this Clause. The Dragging Investors shall have the right to require the Dragged Shareholders of the Company to transfer all of their Shares along with the Dragging Investors and upon the terms and conditions as may be determined by the Dragging Investors ("**Drag Along Sale**").

12.7.3 Alternately, upon occurrence of a Drag Event, the Dragging Investors may call upon Dragged Shareholders to participate in a sale other than by way of sale of the Shares including merger of the Company with any other entity, sale of Business and consequent liquidation in any other manner, on the terms and conditions determined by the Dragging Investors ("**Trade Sale**"). The Founder will facilitate and co-operate with any such transfer, sale or merger, including by co-operating in any due diligence conducted by a potential purchaser and providing all necessary information relating to the Company. All representations and warranties relating to the Company will be provided by the Company and the Founder.

12.7.4 Drag Along Procedure. The Dragging Investors shall send a notification for the Drag Along Sale (the "**Drag Along Notice**") to the Dragged Shareholders, requiring the Dragged Shareholders to Transfer all or part of the Shares held by them ("**Drag Along Shares**") to a proposed purchaser or purchasers ("**Drag Along Purchaser**") upon terms negotiated or determined by the Dragging Investors. It is however made clear that the price and terms of the Drag Along Shares will be the same as that for the Shares held by the Dragging Investors and the Drag Along Sale shall be subject to the provisions of liquidation preference as contained in this Agreement.

12.7.5 Transfer of Shares. The Drag Along Notice shall specify: (a) the proposed valuation of the Company and the offer price for each Drag Along Share; and (b) the identity and address of the Drag Along Purchaser; and (c) the proposed date for the closing of the Drag Along Sale. The transfer of the Drag Along Shares shall take place simultaneously with the transfer of key Shareholder's Securities and payment for the Drag Along Shares shall be made simultaneously with the transfer of the Drag Along Shares. The

Dragged Shareholders shall, at least 15 (fifteen) Business Days prior to the closing of the Drag Along Sale, deliver the share certificates on a pro rata basis (unless they have mutually agreed otherwise) in respect of the Drag Along Shares to the Company along with the transfer forms and other necessary documents duly filled in and if their Shares have been dematerialised, shall issue appropriate instructions to their depository participant to give effect to the transfer in accordance with the Drag Along Notice.

**12.7.6 Actions to be taken.** If the Dragging Investors exercise the Drag Along Right to cause a Drag Along Sale, then each Shareholder hereby agrees with respect to all Shares which it owns or over which it otherwise exercises voting or dispositive authority:

- i. in the event such transaction is to be brought to a vote at a Shareholders' meeting, after receiving proper notice of any meeting of Shareholders of the Company, to vote on the approval of Drag Along Sale, as the case may be, to be present, in person or by proxy, as a holder of Shares of voting Securities, at all such meetings and be counted for the purposes of determining the presence of a quorum at such meetings;
- ii. to vote (in person, by proxy or by action by written consent, as applicable) with respect to all Shares in favour of such Drag Along Sale, as the case may be, (the "Proposed Sale") and in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Proposed Sale;
- iii. to refrain from exercising any dissenters' rights or rights of appraisal under Applicable Law at any time with respect to the Proposed Sale;
- iv. to execute and deliver all related documentation and take such other action in support of the Proposed Sale as shall reasonably be requested by the Company or the Dragging Investors; and
- v. not to deposit, and to cause their Affiliates not to deposit, except as provided in this Agreement, any Shares owned by such Shareholder or Affiliate in a voting trust or subject any such Shares to any arrangement or agreement with respect to the voting of such Shares, unless specifically requested to do so by the acquirer in connection with the Proposed Sale.

### **13. SHARE TRANSFERS**

#### **13.1 Founders' Lock In**

13.1.1. The Founders/ KMP shall be entitled to undertake Permitted Transfers without being subject to Investors consent, Right of First Refusal and Tag-along restrictions set out below under clause 13.2 and 13.3.

13.1.2 Other than Permitted Transfers mentioned above, on and from the Closing Date, 95% of the Shares held by Founder(s) ("Restricted Shares") shall be subject to vesting restrictions detailed hereinafter for a period of 5 years from the Closing Date or till the Investors collectively along with the Affiliates hold not less than 1% of the share capital of the Company or the Company completing an initial public offering, whichever is earlier ("Lock-in Period"). 5% of the shares held by each Founder shall be treated as released and vested shares as on the Closing Date.

13.1.3 20% of Restricted Shares of each of the Founders shall vest / be released at 1<sup>st</sup> anniversary of the Closing Date and balance Restricted Shares will be released in equal quarterly installments during the period of 4 (four) years from the date of first anniversary of Closing date. The released shares of the Founders shall be referred to as "Vested Shares" and remaining Restricted Shares will be referred to as "Unvested Shares".

13.1.4 .Notwithstanding anything contained above, each Founder shall be permitted to freely transfer up to 5% of

each of the Share Capital held by him / her, as of the Closing Date to any Person except Competitor without being subject to Investors' consent, Right of First Refusal and Tag-along restrictions set out below and Restricted Period mentioned under clause 14

- 13.1.5. However, if Founder and Key Managerial Person (KMP) wishes to sell or otherwise transfer or part with more than 5% of respective Founders shares/KMP shareholding in the Company (including the Vested Shares) in whatever form it will require prior written consent of the Investors and it will be subject to the Investors' Right of First Refusal and Tag-along rights set out below under Clause 13.2 and 13.3.

### **13.2 Investors' Right of First Refusal**

- (a) Subject to Clause 13.1 (*Founders' Lock-in*) above and clause 14.1, if at any time during the subsistence of this Agreement, any Promoter or KMP or any other Shareholder (other than the Investors) of the Company ("**Selling Shareholder**") proposes to Transfer its Securities ("**Offer Shares**") for which the necessary consent of the Investors has been obtained as provided under Clause 13.1.5, to a third party ("**Proposed Transferee**") pursuant to a bona fide offer by the said Proposed Transferee, then the Investors shall have a prior right to purchase the Offer Shares on the same price and terms as those offered to the Proposed Transferee in proportion to their inter-se shareholding in the Company ("**Right of First Refusal**").
- (b) The Selling Shareholder shall immediately deliver a written notice ("**Offer Notice**") to the Investors describing accurately and in reasonable detail the terms and conditions of the offer, including the timing as to execution, the number of Offer Shares subject to the offer, the price to be paid for such Securities pursuant to such offer, the name and address of the Proposed Transferee, any agreements or documents to be executed and delivered relating to such offer, any related terms and conditions and any additional information reasonably required by the Investors.
- (c) Upon the Offer Notice being delivered to the Investors, the Investors shall have the right exercisable at its sole discretion within the time period set forth in the Offer Notice, provided that such period shall in no event be less than 30 (thirty) days from the date the Offer Notice is received by all the Investors ("**Offer Period**"), to give to the Selling Shareholder a notice in writing to purchase all or part of their proportion of the Offer Shares.
- (d) If either of the Investors exercise the Right of First Refusal in respect of all or part of their proportion of the Offer Shares, then the Transfer of such Offer Shares or part thereof, as the case may be, shall take place within a period of 30 (thirty) days from the date such Investor notifies to the Selling Shareholder in writing its intent to exercise the Right of First Refusal.
- (e) If neither of Investors, in their sole discretion, do not exercise the Right of First Refusal in respect of all or part of their portion of the Offer Shares (such remaining Offer Shares shall be referred to as "**Free Shares**"), the Selling Shareholder(s) may choose to sell the Free Shares to the Proposed Transferee after the expiry of the Offer Period on terms not more favourable to such Proposed Transferee than those contained in the Offer Notice, within a period of 90 (ninety) days following delivery of the Offer Notice to the Investors. It shall be a condition of any Transfer of the Offer Shares that the Proposed Transferee, if not already a party to the Agreement, agrees and undertakes to be bound by the terms of this Agreement and execute a deed of adherence having the principles as contained in **Schedule O** hereto.
- (f) If the Free Shares are not sold within such 90 (ninety) days period by the Selling Shareholder, then the procedure set forth under this Clause 13.2 (*Investors' Right of First Refusal*) would



have to be complied afresh. It is hereby clarified that the Investors' election to exercise or not to exercise the Right of First Refusal with respect to a proposed Transfer shall not adversely affect its rights under this Clause 13.2 (*Investors' Right of First Refusal*) with respect to any other Transfer by the Selling Shareholder.

### **13.3 Investors' Tag Along Right**

- a) In the event the Investors do not exercise the Right of First Refusal, then all Investors ("**Tag Recipient**") shall have the right (but not the obligation) to require the Founder to ensure that the Proposed Transferee purchases such number of Securities held by Tag Recipient as determined in accordance with terms (i) & (ii) below ("**Tag Shares**") along with the Offer Shares on the same terms and conditions as mentioned in the Offer Notice (the "**Tag Along Right**").
  - i. In the event that a Transfer is for less than or equal to 50% of the total Shares held by each selling Founder/ KMP, the maximum number of Securities that a Tag Recipient shall be entitled to Transfer as Tag Shares shall be the number that bears the same proportion to the aggregate number of Securities on a Fully Diluted Basis held by the Tag Recipient, as the proportion that the number of Offer Shares being Transferred by the Founder/ KMP bears to the aggregate number of Securities on a Fully Diluted Basis held by all the Founder/ KMP, save and except that the Investors will not be required to provide any representations and warranties for such sale (other than representation and warranties related to the title of the Shares and authority and capacity to Transfer the Shares) and the Investors will be entitled to execute a share purchase agreement with the ROFR Securities Purchaser and the Promoter, recording the terms and conditions of the Tag Shares (including its option to receive the cash equivalent of any non-cash component of the consideration received by the Promoters for sale of their shares).
  - ii. In the event that a Transfer is for more than 50% of the total Shares held by each selling Founder/ KMP or if the Transfer results in a change in Control, then each of the Tag Recipients shall have the option, exercisable at their respective sole discretion, to Transfer up to all of their respective Securities to the Proposed Transferee as Tag Shares on the same terms as mentioned in the Offer Notice.

## **14. RESTRICTION ON FOUNDERS' SHARES**

- 14.1 Founders shall not voluntarily leave or dis-associate with the Company for a period of 5 years from the Closing Date ("**Restricted Shares**")
- 14.2 If the Founder unilaterally resigns from his employment (other than on medical grounds approved by all the Investors) or his employment contract gets terminated upon service of Termination Notice due to Cause or Event of Default or a Material Breach prior to the expiry of the Restricted Period, all the Shares of the Defaulting Founder in Company shall be transferred to ESOP Pool; or Company will buy back all the Shares of such Founder, at a price which is equivalent to the original price paid by the Founder for acquiring such Shares.
- 14.3 If any Founder resigns from his employment with the prior approval of all the Investors or his employment contract is terminated by the Company without Cause or Event of Default or Material Breach prior to the expiry of the Restricted Period, all the Unvested Shares of such exiting Founder shall be transferred to ESOP; or Company will buy back all the Unvested Shares of such exiting Founder, at

a price which is equivalent to the original price paid by the exiting Founder for acquiring such Shares. The Vested Shares of such exiting Founder may be bought back by the Company at the Fair Market Value of such Shares as determined by the Company or otherwise dealt with in the manner decided by the Board provided that the exiting Founder receives an amount reflecting the Fair Market Value of such Vested Shares. In case such exiting Founder is allowed to retain the Vested Shares, he/ she shall continue to be bound by all the obligations cast upon him as a Shareholder of the Company, pursuant to this Agreement.

- 14.4 In the event of death or permanent disability is suffered by the Founder, 50% of the Unvested Shares held by such Founder at such time shall immediately vest and cease to be restricted in the hands of such Founder or his/her legal heirs, as the case may be. The remaining 50% of the Unvested Shares of such exiting Founder shall be transferred to ESOP; or Company will buy back all the Unvested Shares of such Founder, at a price which is equivalent to the original price paid by the Founder for acquiring such Shares. The Transfer of all the Vested Shares shall, however, continue to be subject to Clause 13 of this Agreement. Further provided that in case of completion of an Exit Event or on the completion of sale of all Investor Shares by the Investors under Clauses 12, all Shares held by such Founder at such time shall immediately vest and cease to be restricted in the hands of such Founder.

With respect to the Vested Shares, that the Founder is allowed to retain, he/ she shall continue to be bound by all the obligations cast upon him as share holder of the Company, including transfer restrictions, drag-along rights of the Investor etc

## **15. INVESTORS' PRO RATA PRE-EMPTIVE RIGHT**

- 15.1 The Investors shall have a right and not the obligation to participate in any further round of investment / fresh issue of shares (other than Excluded Issuance) by the Company ("Issuance") to the extent necessary to maintain their respective proportionate shareholding in the Company ("**Pro-rata Pre-emptive Right**"). An IPV Investor shall have the right to renounce the Pro-rata Pre-emptive Right in favour of one or more other IPV Investors or other IPV Investors within the network of the Investment Facilitator ("**Network IPV Investors / Members**").
- 15.2 In any new issuance of Securities by the Company, the Investors' shareholding in the Company should not reduce below their proportionate shareholding unless they wilfully decide not to exercise its Pro-rata Pre-emptive Right.
- 15.3 **Procedure:** The Pro-rata Pre-emptive Right shall be offered by the Company by issuing a written notice to the existing Shareholders ("**First Issuance Notice**") setting forth in detail the terms of the proposed Issuance, including the proposed Issuance price ("**First Issuance Price**"), the date of closing of the proposed Issuance, which shall not be less than 30 (thirty) Business Days from the date of receipt of the First Issuance Notice by the Investors and the number of Securities proposed to be issued ("**First Issuance Shares**"). The IPV Investors may agree to subscribe to the Pro Rata shares offered in any ratio inter se.
- 15.4 If any of the Investors wish to exercise its Pro-rata Pre-emptive Right, then within 15 (fifteen) Business Days from the date of receipt of the Issuance Notice, it shall issue a notice ("**Exercise Notice**") to the Company notifying its intention to exercise the Pro-rata Pre-emptive Right on all or part of its Pro Rata Share of the Issuance Shares. Further on the date of closing of the Issuance, the Investors shall pay for and subscribe to such number of the Issuance Shares as is notified by it in the Exercise Notice (but up to its Pro Rata Share) at the First Issuance Price and on the terms and conditions set out in the First Issuance

Notice. Subject to the receipt of the payment against exercise of the Pro-rata Pre-emptive Right by the Investors, the Company shall issue and allot the Issuance Shares to the Investors on the date of closing of the Issuance as stated in the First Issuance Notice. The IPV Investors may agree to subscribe to the Pro Rata shares offered in any ratio inter se.

- 15.5 If the Investors do not exercise its Pro-rata Pre-emptive Right or fail to make payment to the Company against such exercise within the time period specified in Clause 15.3 above, then the Company may issue and allot the portion of such Issuance Shares of that Investors to any Person at the Issuance Price and on the terms and conditions mentioned in the First Issuance Notice.

- 15.6 The Issuance shall be completed not later than 30 Business Days from the date closing specified in the First Issuance Notice, failing which the right of the Company to make the Issuance shall lapse and the provisions of this Clause 15 shall once again apply to such Issuance.

## **16. INVESTMENT FACILITATOR'S FIRST PRE-EMPTIVE RIGHT**

- 16.1 In case the Company proposes to undertake any further round of investment / fresh issue of Shares (other than Excluded Issuance), then Investment Facilitator shall have right of first refusal to facilitate such investment / subscription from its Network IPV Investors / Members subject to Pro-rata Pre-emptive Right of Investors as on the date of such Issuance ("**First Pre-emptive Right**").

- 16.2 **Procedure:** The First Pre-emptive Right shall be offered by the Company by issuing the First Issuance Notice setting forth in detail the terms of the proposed Issuance, including the number of Securities proposed to be issued ("First Issuance Shares"), the Proposed Issuance price determined by the potential investor (First Issuance Price), the date of closing of the proposed Issuance which shall not be less than 30 (thirty) Business Days from the date of receipt of the First Issuance Notice by the Investment Facilitator. The Investment Facilitator may agree on behalf of its Network IPV Investors ("**First Pre-emptive Right Electing IPV Investor**") to subscribe to the Pro Rata shares offered in any ratio inter se.

- 16.3 If Investment Facilitator wishes to exercise its First Pre-emptive Right at the First Issuance Price, then within 15 (fifteen) Business Days from the date of receipt of the First Issuance Notice, it shall issue a notice ("**First Exercise Notice**") to the Company notifying its intention to exercise the First Pre-emptive Right in respect of the First Issuance Shares. Further, within 15 (fifteen) Business Days from the date of the First Exercise Notice, Investment Facilitator shall cause First Pre-emptive Right Electing IPV Investor to pay for and subscribe to the First Issuance Shares at the First Issuance Price and on the terms and conditions set out in the First Issuance Notice. Subject to the receipt of the payment against exercise of the First Pre-emptive Right by First Pre-emptive Right Electing IPV Investor, the Company shall issue and allot the First Issuance Shares to the First Pre-emptive Right Electing IPV Investor on the date of closing of the issuance as stated in the First Issuance Notice.

## **17. ANTI-DILUTION PROTECTION**

If at any time after the Closing Date, the Company issues Securities ("**New Securities**") to any Person ("**New Subscriber**") at a price per Security ("**New Issue Price**") which is lower than the per Share price of the respective Investors Subscription Securities, then, Investors, as the case may be, shall, with respect to such Shares acquired by Investors, as the case may be, be entitled to weighted average anti-dilution

protection, in accordance with the formula set forth under **Schedule D**. In such an event, the Company and Founder shall be bound to cooperate with Investors, as the case may be, such that, the Company forthwith takes all necessary steps to give effect to the weighted average anti-dilution protection by the Company undertaking a fresh issuance of such additional Shares ("**Anti-Dilution Shares**") to Investors, as the case may be, at the lowest permissible price under applicable Law (including by way of a rights issue). It is hereby clarified that the process through which the Anti-Dilution Shares are issued to or transferred shall be determined by the such Investors entitled to Anti-Dilution Shares pursuant to this clause and intimated to the Company and the Founder in writing. Nothing contained in this Clause 17 shall apply to any Shares issued pursuant to ESOP or warrants that may be issued in future to advisors.

## **18. LIQUIDATION PREFERENCE**

18.1 Upon the occurrence of a Liquidation Event and after all prior-ranking statutory liabilities have been discharged by the Company, and after paying out the creditors and employees dues, the proceeds of the Liquidation Event ("**Liquidation Proceeds**") shall be distributed in any of the following manner (Whichever is higher of (a) and (b)):

- a. Investors to receive, on pari passu basis, in priority to all other Shareholders of the Company, a maximum of 120% (One hundred and twenty per cent) of the amounts invested by the Investors, pursuant to this Agreement or Earlier SSHA to acquire the respective Investors Subscription Securities; or
- b. The Investors may opt to receive such amount that is receivable on a pari-passu basis to all Shareholders pro-rata to their shareholding in the Company on a Fully Diluted Basis.

## **19. NON-COMPETE & NON-SOLICIT**

- 19.1 The Founder and Key Managerial Personnel shall devote all of their working time and effort to the Company. In case they assist, advise or earn(s) compensation from other activities within the same industry / business, the same shall be billed in the name of the Company (separate P&L and bank account to be maintained).
- 19.2 Each of the Founders undertakes and covenants to Investors that he/she and his/her Affiliates will not, directly or indirectly, invest, engage, or participate in, whether as a manager, partner, shareholder, stakeholder, employee, director, or in any other capacity, during the time that is he/she a Shareholder/employee of the Company and for 24 (twenty-four) months from the time he/she ceases to be Shareholder or employee of the Company, anywhere in the world, either jointly or severally, directly or indirectly, and whether as an individual, investor, promoter, proprietor, shareholder, joint venture partner, collaborator, consultant, advisor, principal contractor or sub-contractor, director, trustee, committee member, office bearer or agent or in any other manner whatsoever, whether for profit or otherwise commence, engage or be concerned in any business that is a Competitor. The Founder shall also be bound by their respective employment agreement. So long as each Investor hold any Security in the Company, termination of any of the Key Managerial Personnel is subject to prior written approval of the Investors.
- 19.3 The Founder should remain full time employed in the Company during this Agreement. If the Founder/s are unable to raise the next round of funding or if Company's funds do not sufficiently meet the budgeted expenses, then Founder can approach the IPV Investors and FirstPort Capital to give a consent for taking

up part time employment and the New Investors Representative confirms that they will not unreasonably hold back such consent.

19.4 The Founder shall conduct all their Business solely through the Company, and 100% of the economic value arising from Business at all times will accrue to the Company, unless otherwise agreed to by the Investors through a clear unambiguous written consent based on a request by the Founder detailing all relevant information with regards to any such exception.

19.5 The Founder shall at all times be fully involved with the Company's day to day operations and shall not devote any time to any other business. The Founder undertake that as of the date hereof they do not have (whether directly or indirectly through any person) any ownership, income or involvement in any business other than the business of the Company, save for permitted businesses (as detailed under **Schedule N**) ("**Permitted Businesses**"). In this regard, Founder hereby undertake that there shall be no involvement in such Permitted Businesses in any executive capacity. After the Closing Date, any such ownership, interest or involvement by the Founder in any other business shall require clear unambiguous written consent of the Investors based on a request by the Founder detailing all relevant information with regards to any such ownership, interest or involvement by the Founder.

19.6 **Non Solicit and Non Hire:** During the term of this Agreement, and after 24 (twenty-four) months from the time he/she ceases to be Shareholder or employee of the Company, the Founder shall not, either directly or indirectly (a) solicit or entice away or endeavour to solicit or to entice away or assist any other Person to solicit or hire or entice away from the Company any consultant, employee, customer or client and (b) cause any Person who supplies goods and / or services to the Company and / or Company's customers (including the service providers) to cease dealing with the Company or to cause such Persons to deal with the Company on less favourable terms.

19.7 **General agreement with relation to the Restrictive Covenants:**

(a) The Founder acknowledges and agrees that the restrictive covenants as mentioned herein are considered reasonable for the legitimate protection of the Business and the goodwill of the Company, but in the event that such restrictive covenants 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.

(b) The Founder acknowledges and agrees that the restrictive covenants relate to special, unique and extraordinary matters, and that a violation of the restrictive covenants by the Founder will cause the Company and/or the Investors irreparable injury.

(c) The Founder acknowledge and represent that they; (i) understand the restrictive covenants set forth in this Agreement (ii) fully aware of his/her obligations hereunder, including, without limitation, the length of time, scope and geographic coverage of each one of these restrictive covenants; and (iii) finds the length of time, scope and geographical coverage of each one of these restrictive covenants to be reasonable.



- 19.8 Investors undertake and covenant to the Founder and the Company that in the event any Investor, invests in any Competitor then the said Investor (who invests in the Competitor) undertake and covenant to the Founder and the Company that they shall, and procure that their agents and/or representatives shall, observe utmost confidentiality with respect to information in their possession relating to the Company and shall not disclose or divulge the same to any Person, other than to Investors Permitted Recipients.

## **20. CAUSE/ EVENT OF DEFAULT/MATERIAL BREACH**

- 20.1 Upon the occurrence of a Cause/ Event of Default/Material Breach on the part of a Founder (the "Defaulting Founder"), then Investors shall have the right to issue a written notice of the alleged Cause/ Event of Default/ Material Breach to the Defaulting Founder ("EoD Notice"). It is clarified that any Event of Default, Cause or Material Breach determination shall be arrived at by the Board (without participation of the relevant interested Founder, as applicable) or an independent qualified committee / forensic auditor appointed by the Board (excluding the Defaulting Founder), within 30 (thirty) days or such period as extended with the consent of the Investors of the alleged Event of Default / Cause / Material Breach coming / brought to their notice at Company cost. Provided that if all the Founders are Defaulting Founders or the Board fails to appoint an independent qualified committee / forensic auditor within 30 (thirty) days as mentioned above of the Event of Default / Cause / Material Breach coming / brought to their notice, an independent qualified committee / forensic auditor shall be appointed by the Investors, solely at its discretion and at Company's cost.

- 20.2 If the Cause/ Event of Default/ Material Breach alleged in the EoD Notice issued by Investors, if capable of being remedied, is not cured within 30 (thirty) Business Days from the date of the EoD Notice ("Cure Period"), then Investors shall have the right, exercisable in its sole discretion to give notice of termination of employment (the "Termination Notice") to the Defaulting Founder with a copy to the continuing Founder, if any and proceed with action in terms of clause 14.2

### **20.3 Material Breach:**

- 20.3.1 **Accelerated Exit.** In the event the Material Breach as mentioned in the EoD Notice, if capable of being remedied, is not cured within the specified Cure Period, the Investors shall have the right to an accelerated exit and the consequences specified under Clause 20.3.2 (i) shall follow.

#### **20.3.2 Cessation of Rights.**

- i. Upon expiry of the Cure Period and the Material Breach not having been cured; (i) the Investors shall be entitled to exercise the Drag Along Right provided for in Clause 12.7 or exercise Trade Sale provided in Clause 12.7.3 without prejudice to the exercise of any other rights it may have under the Transaction Documents or applicable Law; and (ii) the rights available to the Founder under this Agreement shall cease immediately.
- ii. Further, upon the occurrence of established Material Breach, the consequences specified under Clause 20.3.1 above shall follow, the Founder shall facilitate a transfer / buy-back of the all the Shares held by them under Applicable Law and the Founder shall cease to have a right to vote or receive any dividend on any of the Shares.

- 20.3.3 **Obligation on Cessation.** For avoidance of doubt it is clarified that (i) nothing contained in Clause 20.3.2 shall dilute the obligations of the Company and the Founder including the obligations contained



in Exit and Drag Along Right and Indemnity clauses; and (ii) the Founder shall continue to be obliged to tender their Drag Along Shares, and exercise the voting rights in relation to the Shares held by them in favour of any resolutions proposed to implement the rights of the Investors under Exit and Drag Along Right clauses.

## **21. INDEMNIFICATION**

- 21.1 The Company and the Founder jointly and severally (each, an **"Indemnifying Party"**) shall promptly on demand indemnify, defend and hold harmless each of the Investors and/or its officers (**"Indemnified Parties"**) and each, an **"Indemnified Party"**) from and against any and all direct claims for any Losses (including reasonable fees and disbursements of attorneys and accountants) directly or indirectly arising out of the following events (**"Indemnifiable Events"**):
- i. Breach by the Company and the Founder of any of their covenants, undertakings or obligations under any of the Transaction Documents; and/or
  - ii. Any Event of Default.
- 21.2 The Indemnifying Party shall promptly on demand indemnify, defend and hold harmless each of the Investors and/or its officers from and against any and all direct claims for any Losses (including reasonable fees and disbursements of attorneys and accountants) directly or indirectly arising out of any Representations/Warranties given by the Warrantors being untrue or incorrect as of the date they were made (including without limitation, the Warranties provided to **Schedule I**).
- 21.3 However, in the event a Loss is suffered by the Company arising out of an Indemnifiable Event, which has been caused due to the established misconduct and / or gross negligence by the Founder, any Investor shall have the right to elect that the Company be indemnified by such Founder for such Losses suffered by the Company as a result of an Indemnifiable Event. In the event that an Investor makes the election as per this Clause, such Investor shall make a claim against such Founder, requiring that the Company be indemnified for the Losses suffered by it as a result of the Indemnifiable Event.

## **22. LIMITATION OF LIABILITY**

- 22.1 Notwithstanding anything to the contrary contained in this Agreement or any other Transaction Documents but subject only to Clause 22.2 below, and without prejudice to any limitations in Law on the liabilities of any Party, the rights and liabilities of the Parties shall be limited as follows:
- 22.2 The Investors shall be entitled to make a claim for indemnity under Clause 21.1 (i) (i.e. for breach or failure of any Warranties) only within the following periods:
- (i). 7 years from the date of indemnifiable event, in respect of **'Taxation Matters'** contained in Paragraph 13 of **Schedule I**; and
  - (ii). 3 years from the date of indemnifiable event in respect of all other Warranties other than

**'Taxation Matters' contained in Paragraph 13 of Schedule I.**

- 22.3 On the expiry of the periods specified above in Clause 22.2 above, the obligation of the Company and Founder in respect of the corresponding Warranty(ies) shall expire.
- 22.4 No Party shall be liable for any Losses under this Clause 22 unless the value of each single / individual claim for Losses exceeds Rs. 3,00,000/- (Rupees Three Lakhs Only).
- 22.5 The cumulative and aggregate liability of the Company and the Founder in respect of all claims, Losses and liabilities arising from or in respect of all Transaction Documents (including indemnity claims pursuant to Clause 21), whether in contract, Law or equity, and in respect of all claims made at any time, shall not exceed the respective Investors Subscription Amount for such Investors, as the case may be.
- 22.6 Notwithstanding anything contained in Clause 22.5 above, the liability of Founder and the Company shall not be limited in cases where such liability arises directly as a result of the breach of Fundamental Warranties, fraud, gross negligence or wilful default committed by the Founder and the Company.
- 22.7 It is clarified that the Founder indemnity in these aspects shall be several and not joint, i.e. one Founder shall not be held liable for the fraud, gross negligence or wilful default of the other Founder.

**23. TERMINATION**

- 23.1 This Agreement shall terminate on the date of occurrence of any of the following events:

- (a) At any time by the mutual agreement of all Parties;
- (b) Upon completion of an IPO; or
- (c) by the New Investors or the Founder after the Long Stop Date, with written notice to the other Parties, if the Conditions Precedent are not satisfied by the Company and the Founder.

- 23.2 If a Shareholder together with its Affiliates ceases to hold any Securities in the Company ("Outgoing Shareholder"), this Agreement shall terminate in entirety solely with respect to such Outgoing Shareholder and shall continue with full force and effect amongst all other Parties.

- 23.3 In addition to provisions in this Agreement that are expressly set out to survive termination of this Agreement, the provisions of Clause 6 (Representation and Warranties), Clause 23 (Termination), Clause 19 (Non-compete and Non-solicit), Clause 20 (Cause/Event of Default/ Material Breach), Clause 21 (Indemnification), Clause 24 (Governing Law and Arbitration), Clause 25.1 (Confidentiality), Clause 25.2 (Notices) and Clause 25.3 (Expenses) shall survive any termination of this Agreement.

**24. GOVERNING LAW AND ARBITRATION**

- 24.1 Governing Law: 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 Jurisdiction of Courts: Subject to the provisions of Clause 24.4 below, the Parties hereby agree that the courts at New-Delhi, India shall have exclusive jurisdiction over all matters arising pursuant to this Agreement.

24.3 Negotiations: Notwithstanding anything contained in this Agreement to the contrary, the Parties to this Agreement hereby agree that they intend to discharge their obligations in utmost good faith. The Parties therefore agree that they will, at all times, act in good faith, and make all attempts to resolve all differences, howsoever arising out of or in connection with this Agreement by way of each appointing one nominee / representative who shall discuss in good faith to resolve the difference ("Negotiation"). In case the Negotiation does not settle the dispute within thirty (30) calendar days, it shall be referred to arbitration in accordance with Clause 24.4 below. The Negotiation method shall also be used to resolving deadlocks.

#### 24.4 Arbitration

(a). All disputes that have not been satisfactorily resolved under Clause 24.3 above shall be referred to arbitration before a sole arbitrator to be jointly appointed by the disputing Parties in writing. In the event the disputing Parties are unable to agree on a sole arbitrator within fifteen (15) calendar days following the thirty (30) calendar day period specified in Clause 24.3 above, the sole arbitrator shall be appointed in accordance with Arbitration Rules of the Indian Arbitration and Conciliation Act, 1996 ("IAC Act"). The arbitration shall be conducted in accordance with the IAC Act for the time being in force, which rules are deemed to be incorporated in this Agreement by reference in this Clause 24.4

(b). The seat of arbitration shall and the venue for conducting /holding of the arbitration proceedings shall be Gurgaon in the state of Haryana, India. The arbitration proceedings shall be conducted in English language.

(c). When any dispute is referred to 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.

(d). Each Party shall co-operate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.

24.5 The provisions of this Clause 24 shall survive the termination of this Agreement.

24.6 However, to the extent permissible under applicable Law, the Parties will be entitled to approach the appropriate courts for purposes of obtaining interim reliefs including but not limited to temporary injunction.

#### 25. MISCELLANEOUS

25.1 Confidentiality: Each of the Parties shall maintain utmost confidentiality, regarding the contents of this Agreement. No Party shall make any formal or informal announcements to the public or to any Persons

regarding the arrangements contemplated by this Agreement without the prior written consent of the other Parties, provided that no Party shall be liable for making such announcements if the same are required to be disclosed by Law.

25.2 Notices:

- (a) Unless otherwise provided herein, all notices or other communications to be given shall be made in writing, and by letter (hand delivered), email transmission (save as otherwise stated) and shall be deemed to be duly given or made, in the case of personal delivery, when delivered; or, in the case of email, where such email has been followed up with a hand delivered letter. Any notice provided for in this Agreement shall be in writing and shall be first transmitted by email transmission, and then confirmed by postage, prepaid registered post with acknowledgement due.
- (b) The addresses referred to above are:
- (i) In the case of the Company
- Address : B/104, shree sainath soc, vakola police station ,santacruz  
east ,Mumbai 400055
- Attention : Sanmati Pande
- Email : Sanmati@growfitter.com
- (ii) In the case of Founder
- Address : B/1201, rushi heights, riddhi garden ,film city  
road,goregaon east ,Mumbai 400097
- Attention : Sanmati Pande
- Email : Sanmati@growfitter.com
- (iii) In the case of FirstPort Capital
- Address : 239, Tower A, JMD Megapolis, Sector - 48, Sohna Road, Gurgaon, Haryana,  
122018
- Attention : Mitesh Shah
- Email : shahmiteshj@hotmail.com  
CC: vkb53@yahoo.com
- (iv) In the case of the IPV Investors
- Address : D - 815 New Friends Colony, First Floor, New Delhi - 110025
- Attention : Ankur Mittal
- Email : [ankur@ipventures.in](mailto:ankur@ipventures.in)  
[vinod@ipventures.in](mailto:vinod@ipventures.in)
- (v) (a) In the case of the Existing Investors [Soham Vencaps (VC)]
- Address : Soham Vencaps(VC) represented by Mr Dhiraj Harichand Bhatia  
Flat No101, Priya Apartments,Opp U.M.C Office Ulhasnagar -

421003

Attention : Hari Bhatia & Dhiraj H Bhatia  
Email : Dhiraj1324@gmail.com & Haribhatia\_rsb@yahoo.com

(b) In the case of the Existing Investors [Angel Investors]

Address : Flat No101, Priya Apartments, Opp U.M.C Office Ulhasnagar -  
421003

Attention : Hari Bhatia & Dhiraj H Bhatia  
Email : Dhiraj1324@gmail.com & Haribhatia\_rsb@yahoo.com

(vi) In the case of the Investment Facilitator

Address : 239, Tower A, JMD Megapolis, Sector – 48, Sohna Road, Gurgaon,  
Haryana – 122018

Attention : Vinay Kumar Bansal  
Email : [vinaybansal2008@gmail.com](mailto:vinaybansal2008@gmail.com);  
[CC: vinay@ipventures.in](mailto:CC:vinay@ipventures.in)

- (c) A notice or other communication received on a day other than a Business Day, or after business hours in the place of receipt, shall be deemed to be given on the next following Business Day in such place.
- (d) The address or email addresses for serving notices can be changed by any Party by properly serving notices on the other Parties informing them of the changes of address.
- (e) In the event that a Party refuses delivery or acceptance of a notice, request or other communication, under this Agreement, it shall be deemed that the notice was given upon proof of the refused delivery, provided the same was sent in the manner specified in this Agreement.

25.3 Expenses: The Company shall pay investment facilitation fee to the Investment Facilitator– IPV Advisors Private Limited as agreed. The Company shall also pay an amount of INR 50,000/- (Indian Rupees Fifty Thousand Only) + GST to each Investment Facilitator towards legal fees and other expenses, over and above the investment facilitation fees. The Company shall bear its own legal fees, postage and documentation expenses.

25.4 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 provision, which is not prohibited or unenforceable and has, as far as possible, the same commercial effect as that which it replaces.

25.5 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 or agent 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.

- 25.6 Cumulative Remedies: All the remedies available to the Investors, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative or exclusive of any rights, powers, privileges or remedies provided by this Agreement, Law or otherwise. No single or partial exercise of any right, power, privilege or remedy under this Agreement shall prevent any further or other exercise thereof or the exercise of any other right, power, privilege or remedy.
- 25.7 Specific Performance: This Agreement shall be specifically enforceable at the instance of any Party. The Parties agree that a non-defaulting Party will suffer immediate, material, immeasurable, continuing and irreparable damage and harm in the event of any material breach of this Agreement and the remedies at Law in respect of such breach will be inadequate and that such non-defaulting Party shall be entitled to seek specific performance against the defaulting Party for performance of its obligations under this Agreement in addition to any and all other legal or equitable remedies available to it.
- 25.8 Entire Agreement: This Agreement together with all the Schedules, Exhibits and Annexures hereto forms a single Agreement between the Parties hereto. The Transaction Documents constitute the entire understanding between the Parties with regard to the subject matter hereof and thereof and supersede any other agreement between the Parties relating to the subject matter hereof and thereof including but not limited to the Earlier SSHA and all agreements executed amongst the Founder and agreements executed between the Company and / or the Founder in relation to the subject matter hereof, prior to this Agreement are hereby terminated. All accrued rights arising under such agreements including the right to enforce such right stands terminated.
- 25.9 Further Actions: The Parties shall do or cause to be done such further acts, deeds, matters and things and execute such further documents and papers as may reasonably be required to give effect to the terms of this Agreement.
- 25.10 Stamp Duty: The Company shall bear the stamp duty as applicable on this Agreement in terms of Law.
- 25.11 IPV Investors Representative: Wherever the Agreement provides for any right to be exercised or consent to be provided by the IPV Investors, then the IPV Investors Representative shall solely exercise such right and provide such consent on behalf of all the IPV Investors. All the IPV Investors shall be bound by the acts and omissions of IPV Investors Representative in this regard. All communication/ information/ notice (except as otherwise provided in the Agreement) required to be sent to the IPV Investors shall be sent to the IPV Investors Representative.
- 25.12 Multiple Investment Acknowledgement. The Company acknowledges that New Investors and several of its affiliates, partners, agents, employees, controlling persons, mentors or representatives (collectively with the New Investors, the "**IPV Representatives and Investment Manager Representatives**") either are or are employed by professional investment funds (collectively with **IPV Representatives and Investment Manager Representatives**, the "**Investors Affiliates**"), and as such invest in numerous portfolio companies, some of which may be competitive with the Company's business. No Investors Affiliate shall be liable to the Company for any claim arising out of, or based upon, (i) the investment by a Investors Affiliate in any entity competitive to the Company, or (ii) actions taken by any Investors Affiliate to assist any such competitive company, whether or not such action was taken as a board



member of such competitive company, or otherwise, and whether or not such action has a detrimental effect on the Company.

25.13 Counterparts: This Agreement has been signed in 2 (Two) or more counterparts, each of which shall be deemed to be an original, any one of which need not contain the signature of more than one party, but all such counterparts taken together shall constitute one and the same agreement.

25.14 Assignability: Except as provided in this Agreement, none of the Parties (save and except the Investors) shall be entitled to assign their rights and obligations under the Agreement to a third party without the prior written consent of all the other Parties. However, the Securities, rights and obligations of the Investors shall be freely transferrable.

25.15 Amendments, Waivers, Termination: Any provision of this Agreement may be amended or waived or terminated 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 or termination, by the Party against whom the waiver / termination is to be effective. No waiver or termination by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver or termination of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

*(Rest of this page is intentionally left blank. Execution page follows)*

**IN WITNESS WHEREOF**, each of the below named Parties has signed and executed this Agreement, and all the original copies hereto, on the date first above written.

**For Growfitter Private Limited**



Signed and delivered by \_\_\_\_\_

Name: **Sanmati Anilkumar Pande**  
Designation: Director/Founder  
in the presence of:

\_\_\_\_\_

Signed and delivered by

**Ms. Sanmati Anilkumar Pande**



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**Founder 1**

in the presence of:

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Signed and delivered by

**Mr. Harshit Sethy**



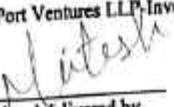
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**Founder 2**

in the presence of:

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**For FirstPort Capital**  
(FirstPort Ventures LLP Investment Manager)

  
Signed and delivered by

Name: Mitesh Shah  
Designation: Partner/Investment Manager Representative

in the presence of:

\_\_\_\_\_

**For IPV Investors:**



Signed and delivered by

**Mr. Ankur Mittal**

acting through power of attorney issued by the IPV Investors

in the presence of:



**For and on behalf Existing Investors:**



Signed and delivered by

**Mr. Hari Bhatia**

(Soham Vencaps)

in the presence of:



Signed and delivered by

Mr. Sambhav Jain

in the presence of:



Signed and delivered by

Mr. Karan Shah

in the presence of:

Signed on behalf of Angel Investors



Signed and delivered by

Mr. Hari Bhatia

(Soham Vencaps)

On behalf of

Ms. Manisha Gupta

Shree Vakpati Shares & Securities Pvt. Ltd.

Mr. Roopak Taneja

Mr. Abhishek Aggarwal



For IPV Advisors Private Limited



Signed and delivered by

Name: Vinay Kumar Bansal  
Designation: Director

in the presence of:

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## SCHEDULE A-Part I

### LIST OF IPV INVESTORS

S.N	Investor Name	Number of shares	Investment Amount
1	Abhishek Ranjan	56	2,52,952
2	Aditya Pandey	56	2,52,952
3	Amit Dalmia	89	4,02,013
4	Anand Naresh Shah	56	2,52,952
5	Ashish Rajput	67	3,02,639
6	B. Arun Kumar	56	2,52,952
7	Badri Narayan Subudhi	56	2,52,952
8	Bajirao Babar	56	2,52,952
9	Balvir Baldevraj Chawla	56	2,52,952
11	DIANA LOBO	56	2,52,952
12	Dipesh Modi & Vaishali D Modi	56	2,52,952
13	Gaurav Kedia	56	2,52,952
14	Gaurika Sahi	56	2,52,952
15	Gautam Dhawan	56	2,52,952
16	IPV Advisors Private Limited	222	10,02,774
17	Jignesh Kenia	67	3,02,639
18	Kamal Kumar Lath	111	5,01,387
19	Krishna Reddy Kota	56	2,52,952
20	Lopamudra Kundu	56	2,52,952

21	Manmeet Singh	56	2,52,952
22	Mintosh Advisory Pvt Ltd	89	4,02,013
23	Mohit Juneja	56	2,52,952
24	NAGENDER PRASAD	111	5,01,387
25	Niraj Dhanraj Chhajjer (Partner - Pransh Capital Partners)	111	5,01,387
26	Pankaj Surajmal Kasliwal	56	2,52,952
27	Patronus Enterprises LLP	56	2,52,952
28	Poonam Gupta	56	2,52,952
29	Rajdeep Roy Choudhury	56	2,52,952
30	Rajeshwar shantayya Matche	56	2,52,952
31	Rajiv Saha & Ava Saha	56	2,52,952
32	Ranjit Radhakrishnan Menon	56	2,52,952
33	Rohit Madhogarhia	56	2,52,952
34	Sachin Gupta	56	2,52,952
35	Samit Khanna	56	2,52,952
36	Shanti Analytics & Technology Private Limited	105	4,74,285
37	Shashikala Rath	89	4,02,013
38	Shiv Thukral	67	3,02,639
39	Sunil Prabhakar Kashelkar & Chaitrali Sunil Kashelkar	56	2,52,952
40	Uppalapati Sukumar Varma	222	10,02,774
41	V G Rajagopalan	56	2,52,952
42	Vinay Viswanath Peshwa	111	5,01,387
43	Vivek Mandava	56	2,52,952
44	VRIDHI-CAP CONSULTANCIES PRIVATE LIMITED	56	2,52,952

45	Vinay Jain	56	2,52,952
46	Kalpesh Ramesh Maroo & Swapnesh R Maru	56	2,52,952
		<b>3,253</b>	<b>1,46,93,801</b>

## **SCHEDULE A-Part II**

### **LIST OF EXISTING INVESTORS**

<b>Name</b>	<b>No. of shares</b>	<b>Category of shares</b>
Sambhav Jain	4888	Equity
Karan Shah	580	Equity
Angel Investors	8907	Equity
Soham Vencaps(VC) represented by Mr Dhiraj Harichand Bhatia (Earlier known as Sque Capital)	9559	CCPS
<b>Total</b>	<b>23,934</b>	

**SCHEDULE B**  
**CAPITAL STRUCTURE OF THE COMPANY AS ON EXECUTION DATE**

1. **Authorised Share Capital (Face Value of Rs. 10/- each): Rs. 1000000/-**
  - a. Authorised Equity Share Capital: Rs. 900000/-
  - b. Authorised Preference Share Capital: Rs. 100000/-
2. **Paid-up Share Capital (Face Value of Rs. 10/- each): Rs. 511340/-**  
(41,575 equity shares of Rs. 10/- each and 9,559 Pre Series A Compulsorily Convertible Preference Shares of Rs. 10/- each)

Shareholding pattern prior to the Closing (Fully Diluted Basis)

Sr No	Name	No. of shares	% holding	Class of Shares
	<b>Founders</b>			
1	Mr. Sanmati Pande	16745	30.83%	Equity
2	Mr. Harshit Sethy	10455	19.25%	Equity
3	Mr Sambhav Jain	4948	9.00%	Equity
4	Mr Karan Shah	520	1.07%	Equity
5	Angel Investors	8907	16.40%	Equity
6	Soham Vencaps(VC) represented by Mr Dhiraj Harichand Bhatia	9559	17.60%	CCPS
7	ESOP (Unissued)	3187	5.87	-
	<b>Total</b>	<b>54321</b>	<b>100</b>	



**SCHEDULE C**  
**CAPITAL STRUCTURE OF THE COMPANY ON THE CLOSING DATE UPON CLOSING**

1. **Authorised Share Capital (Face Value of Rs. 10/- each): Rs. 1000000/-**
  - a. Authorised Equity Share Capital: Rs. 900000/-
  - b. Authorised Preference Share Capital: Rs. 100000/-
2. **Paid-up Share Capital (Face Value of Rs. 10/- each): Rs. 5,81,180 /-**  
(41,575 equity shares of Rs. 10/- each, 9,559 Pre Series A Compulsorily Convertible Preference Shares of Rs. 10/- each and 6,984 Pre-Series A1 Compulsorily Convertible Preference Shares of Rs. 10/- each)

a. Paid-up Equity Shares (Face Value of Rs. 10/- each):

Name	Category of shares	No. of shares	% holding
Mr. Sanmati Pande	Equity	16745	25.94
Mr. Harshit Sethy	Equity	10455	16.20
Mr Sambhav Jain	Equity	4888	7.57
Mr Karan Shah	Equity	580	0.90
Angel Investors(Shareholders Listed in Schedule A- Part II)	Equity	8907	13.80
Total		41,575	64.41

b. Pre Series A Compulsorily Convertible Preference Shares (Face Value of Rs. 10/- each):

Issue Price per CCPS:

Existing Investors: INR 4,080

NAME OF SHAREHOLDER	NO. OF SHARES	SUBSCRIPTION AMOUNT	NO. OF SHARES ON FULLY DILUTED BASIS	PERCENTAGE (%)
Shareholders as listed in Schedule-A Part II [Soham Vencaps (VC)]	9559	95590	9559	14.81%
Total	9559	95590	9559	14.81%

c. Pre Series A1 Compulsorily Convertible Preference Shares (Face Value of Rs. 10/- each):

Issue Price per CCPS:

New Investors: INR 4,517/-

NAME OF SHAREHOLDER	NO. OF SHARES	SUBSCRIPTION AMOUNT	NO. OF SHARES ON FULLY DILUTED BASIS	PERCENTAGE (%)
Shareholders as listed in Schedule-A Part I	3253	32530	3253	5.04
Beacon Trusteeship Limited-FirstPort Capital	3731	37310	3731	5.78
ESOP	6430		6430	9.96
Total	13414	69,840	13414	20.78%

**SCHEDULE D**  
**MODE OF CALCULATION FOR ANTI DILUTION ADJUSTMENT**

The Company and the Founder shall follow the following mode of calculation for giving effect to required adjustments under Clause 17 of this Agreement.

**Weighted Average:**

New Issuance Price (NIP) =  $[(OS * CP) + (NS * NP)] / (OS + NS)$

Where:

OS = Number of Equity Shares immediately prior to the proposed issuance

CP = Base Price (of the present round)

NS = Number of New Shares proposed to be issued

NP = Price at which the New Shares are proposed to be issued

No. of shares to be issued to the Investor (E) =  $[(ES * CP) - (ES * NIP)] / (NIP - F)$

where:

ES = Equity Shares held by the Investor prior to new infusion

CP = Base Price (of the present round)

F = Lowest Price permitted under law

**SCHEDULE E**  
**LIST OF RESERVED MATTERS**

The Investors (through their nominee) shall have the consent rights with respect to the following:

1. Altering the capital structure of the Company or issuance of securities (including options, warrants, convertibles, debt or other derivative securities).
2. Alteration or changes to the rights, preferences or privileges of any equity share or any series of preference shares of the Company.
3. Any amendment of the Company's charter documents.
4. Changes in the authorized number of directors on the Board, the manner of appointment of Directors, or appointment of any directors and removal of the Investor's Director.
5. Commencement of any new line of business other than as stated in the Main Objects Clause of the Memorandum of Association of the Company or any substantial change in the business of the Company as conducted or any disposal, transfer, encumbrance or any dealing with the intellectual property or substantial assets of the Company.
6. Any acquisition of equity of any other entity or the acquisition of assets of any other entity outside the ordinary course of business.
7. Creation of joint-ventures or partnerships, or creation of a subsidiary or joint investment vehicle.
8. Any transaction that results in selling, or otherwise transferring fixed assets of the Company of more than INR 10,00,000/- (Rupees Ten Lakhs only).
9. Any Exit Event subjected to usual drag along and tag along rights.
10. Adoption or creation of additional ESOP pool exceeding 10 % of the Share Capital.
11. Termination of any Founder / KMP.
12. Founder 1 and Founder 2 are currently not drawing any remuneration. Any change in terms of service or remuneration by more than 10% of any Founder, KMP or any employee who draws a salary or receives any compensation, monetary or otherwise, exceeding INR 24,00,000/- (Rupees twenty-four lakhs only) per annum from the Company.
13. Availing any debt in excess of INR 10,00,000 (Rupees Ten Lakhs).
14. Buyback or redemption of any of the Shares.
15. Any Capital / Revenue expenditure in excess of INR 5,00,000 (Rupees Five Lakhs) other than the Business Plan.
16. Declaration of any dividend or distribution of profits or commissions to Shareholders,
17. Entering into any related party transactions including transactions with the Founder, other shareholders, directors or the relatives or affiliates.
18. Appointment / removal of auditor in the Company (including any internal auditors).
19. Approval of annual Business Plan.
20. The Company or Founders or KMP shall not be entitled to license/ sub license/ sell/ transfer/ alienate/ encumber any IPR or technology of the Company outside the ordinary course of business to any third party without the written consent of the IPV Investors.
21. Approval of any deviations greater than 20% of the approved Business Plan numbers.
22. De-listing of the securities of Company on any stock exchanges or change in legal status of the Company; or
23. Purchase or acquisition of any immovable property by the Company, or lease of any immovable property by the Company at rent exceeding INR 5,00,000/- (Rupees Five Lakh only)
24. Each of the above with respect to each subsidiary of the Company.

**SCHEDULE F  
CONDITIONS PRECEDENT TO CLOSING**

1. The Company shall have passed all requisite corporate resolutions as may be required under the Applicable Law, for authorizing the execution of the Transaction Documents and of the Transactions contemplated herein, to be performed in accordance with the Agreement and the Transaction Documents;
2. The Company shall have obtained an appropriate Valuation Report and Certificate;
3. Receipt by each Party of all necessary government, regulatory, corporate, management, and legal approvals;
4. The Company shall have executed employment agreements between the key employees (including the Founder) and the Company in a form satisfactory to the New Investors
5. The Company shall pass a special resolution at a duly convened general meeting of the Shareholders authorising the Company to issue the private placement offer letter to the New Investors and provide the New CCPS Investors a certified true copy of such resolution;
6. The Company shall have issued the private placement offer letter along with an application form to each of the New Investors, and shall have received the duly filled application forms from each of the New Investors;
7. Legal and financial diligence as completed by the IPV Investors and/or FirstPort Capital and resolution of all issues identified in such due diligence;
8. Structuring of the investment by the New Investors to be finalized to the satisfaction of the New Investors;
9. Receipt of audited financial statements of FY 31.03.2020 of the Company by the New Investors and relevant compliances with the registrar of companies;
10. Agreement on the format of monthly / quarterly information reports to be sent to the New Investors

**SCHEDULE G  
FORMAT OF COMPANY CP FULFILLMENT CERTIFICATE**

Date: [●]

From:

[●]  
[Address]

To:

[IPV Investor/ FirstPort Capital]  
[Address]

Dear Sirs,

We hereby confirm that the Conditions Precedent which are required to be complied with by the Company under the Agreement dated [●] entered into, by and between the Company, the Founders, Existing Investors, FirstPort Capital and IPV Investors ("**Agreement**"), have been fully satisfied.

Enclosed are the following documents in connection with the conditions listed in the Agreement:

[Insert CP documents]

All capitalized terms used and not defined herein have the same meaning as ascribed to them in the Agreement.

Regards,

Signed by:

Authorised Signatory

**SCHEDULE H  
CONDITIONS SUBSEQUENT TO CLOSING**

- A. Within 14 (Fourteen) days from the Closing Date or such earlier date as prescribed under applicable Laws, the Company shall file and the Founder shall cause the Company to file all documents and forms as are required to be filed under applicable Law in respect of the subscription and the transactions completed on the Closing Date, including the following:
- (i) all statutory filings to be made with the jurisdictional Registrar of Companies in accordance with the Act, read with the rules notified thereunder, in respect of the allotment of the Investors Subscription Securities, the adoption of the Amended Articles as approved by the Investors and the appointment of the FirstPort Capital Nominee Director/IPV Investors Nominee Director (if applicable);
- and shall deliver copies thereof to the New Investors.
- B. Within 90 (Ninety) days from the Closing Date, the Company will appoint/retain an accounting firms acceptable to the IPV Investors as auditors (both statutory and internal) to the Company.
- C. Within 180 (One Hundred and Eighty) days from the Closing Date, the Company shall take steps to comply with, (a) applicable labour and human resources and other state Laws, and (b) the Act, including procuring relevant registrations, making filings, maintaining relevant statutory registers as required under applicable Law and taking all such actions as is required to fall within compliance of applicable Law in this regard.
- D. Within 90 (Ninety) days from the date of appointment of a FirstPort Capital Nominee Director/IPV Investors Nominee Director, or such other date as prescribed by the IPV Investors and FirstPort Capital, the Company shall have procured directors and officers insurance, which shall include coverage for the appointment of FirstPort Capital Nominee Director/IPV Investors Nominee Directors (whether appointed or otherwise), for an amount acceptable to the IPV Investors and FirstPort Capital
- E. Within 120 (One Hundred and Twenty) days of the Closing Date, the Company shall formulate and adopt an employee stock option scheme with Investors' Consent for grant of stock options to such persons who are eligible to be granted such options under the scheme.



## **SCHEDULE I**

### **REPRESENTATIONS AND WARRANTIES OF COMPANY AND FOUNDER**

The Company and the Founder hereby jointly and severally represent and warrant to the IPV Investors that, as of the Closing Date, and except as set forth in the Disclosure Schedule (the "**Disclosure Schedule**") attached hereto (which Disclosure Schedule shall be deemed to form a part of this Schedule) of the Agreement, the following statements are all true, correct and complete.

#### **1. Organization, Authority and Capacity.**

- 1.1 The Company is a private limited company duly incorporated and organized under the Laws of India.
- 1.2 The Company has the corporate power and authority to own and operate their assets and properties and to carry on their business in the same manner as it is currently conducted;
- 1.3 The Company has all Consents including registrations necessary for the conduct of their respective businesses as currently conducted;
- 1.4 The Company has, the legal right, power and authority to enter into, deliver and perform its obligations under the Transaction Documents and all other documents and instruments required to be executed pursuant thereto or in connection therewith, and such documents, when executed, will constitute valid and binding obligations and be enforceable against the Company in accordance with their respective terms; and
- 1.5 Each Founder has the requisite authority and capacity to enter into the Transaction Documents to which he/it is a party and to perform his/its obligations hereunder and thereunder. The Transaction Documents which the Founders are parties to, have been duly executed and delivered by such Founder and constitute the valid, legal and binding obligations of the Founders, enforceable against the Founders in accordance with their terms.

#### **2. Consents, Absence of Conflict.**

- 2.1 No Consent, declaration or notification to, or filing or registration with, any Governmental Authority or any other Person is required in connection with the execution, delivery and performance by the Company of this Agreement and/or the Transaction. In case any Consents, declarations or notifications are required to be obtained from, including without limitation, the lenders and the customers of the Company, the same have been duly obtained by the Company. Neither the execution and delivery of the Transaction Documents nor the consummation of the transactions contemplated hereby, and thereby, will (i) conflict with, result in a breach of any of the provisions of, (ii) constitute a default under, (iii) result in the violation of or (iv) give any third Person the right to terminate, suspend, revoke or to accelerate any obligation under, the provisions of Charter Documents of the Company, any indenture, mortgage, lease, loan agreement or other contract or agreement or instrument or governmental authorization granted to the Company, or pursuant to any applicable Laws. Neither the execution nor the delivery of the Transaction Documents nor, the consummation of the transactions contemplated hereby, and thereby, will result in the creation of any Encumbrance upon the Assets, properties and Securities of the Company;

#### **3. Subsidiaries, Joint Venture Interests.**

- 3.1 The Company does not have any ownership interest in, or own any shares or any security or other similar interest in any other Person, or otherwise control any company or body corporate, or other entity, whether directly or indirectly, whether through the ownership of securities or through control over composition of board of directors or by contract or proxy, or whether alone or in combination with others. The Company is not a partner, beneficiary, trustee, joint venture or otherwise a participant in any partnership, trust, joint venture, or other similar jointly owned business undertaking.

4. Absence of Investigations and Proceedings.

- 4.1 The Company is neither aware of, nor has it received any notice of any action or investigation or other proceedings of any nature whatsoever, by any Governmental Authority or any other Person which would restrain, prohibit or otherwise challenge or impede the transactions contemplated by the Transaction Documents or would be likely to have a Material Adverse Effect on the Company or the Business.

5. Information provided to Investors.

- 5.1 It is hereby confirmed that no written materials provided by the Company to the Investors contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of circumstances under which they are made, not misleading, except that with respect to assumptions, projections and expressions of opinion or predictions contained in such written materials, the Company represents only that (i) the assumptions are described in reasonable detail therein and (ii) such assumptions are reasonable given the operations of the Company to date, the current state of the economy and the existing assets, liabilities, sources of capital and other business factors involving the Company.

6. Corporate Matters.

- 6.1 The copies of the Charter Documents delivered to the Investors are true and complete copies, and the Company has complied with all the provisions of Charter Documents and in particular, and have not entered into any ultra vires transaction which has had or is likely to have a Material Adverse Effect on the Company. All legal and procedural requirements as per the Act and the charter documents have been duly complied with in all material respects.
- 6.2 Capitalization of Company on Execution Date. As on the Execution Date:
- (i) the authorized share capital of the Company is INR ---- (Indian Rupees ---- only) divided into ---- Equity Shares of INR 10 (Rupees Ten face value each aggregating to INR ---- (Rupees ---- only) and ---- preference shares of Rs. 10 (Rupees Ten only) each aggregating to INR ---- (Rupees ---- only)).
  - (ii) the issued and paid up share capital of the Company is [-] (Rupees [-] only) divided into [-] ([-] Equity Shares of INR [-] (Rupees [-])).
  - (iii) The shareholding of the Company as on the Execution Date is as set out in **Schedule B** and is as reflected in the Register of Members. Other than as listed in the aforesaid Schedule, there are no other Securities of the Company. The shareholding pattern of the Company as post Closing is as set out in **Schedule C** of the Agreement. All of the Securities of the Company have been duly authorized, are validly issued and fully paid. Other than the Securities issued or outstanding to the existing Shareholders, and the Shares reserved for the ESOP Pool (as defined in the Shareholders' Agreement) which are correctly and completely listed in the aforesaid **Part II of Schedule C**, there are no stock options granted and outstanding, warrants issued and outstanding, outstanding rights or agreements or

schemes for the subscription or purchase from the Company of any Securities of the Company or any securities convertible into or ultimately exchangeable or exercisable for any shares of the Company (including conversion of any loan taken by the Company or pre-emption rights under any other agreement) and no Securities are subject to any pre-emptive rights, rights of first refusal or other rights pursuant to any existing agreement or commitment of the Company.

(iv) The Company is not subject to any obligation (contingent or otherwise) to repurchase, redeem or buy back any Securities, or reduce any share capital.

**6.3 Founders' Shareholding in the Company.**

- (i) Each Founder owns the Securities specified opposite such member's name in Schedule B free and clear of all Encumbrances. No Founder is a party to any option, warrant, right, contract, call, put or other agreement or commitment providing for the disposition or acquisition of any Securities of the Company. No Founder is a party to any voting trust, proxy or other agreement or understanding with respect to the voting of any of the Securities held by them or any agreement that requires or may require additional Securities of the Company to be issued or allotted beyond the Securities that currently are issued and outstanding, nor have any claims been made by any person entitled or claiming to be entitled to any of the foregoing.

**7. Investor Shares.**

- 7.1 The Investor Shares to be issued under this Agreement to the Investors have been or will have be duly authorized by all necessary corporate actions, and all necessary Consents, or registrations required to be obtained by the Company for such issue have been or will be obtained within the times specified in the Transaction Documents, and to the extent necessary, are or will be in full force and effect, when paid for and issued in accordance with the terms hereof. The Company has reserved or will reserve before the Final Closing the Investor Shares to be issued under this Agreement.
- 7.2 The Investor Shares to be issued under this Agreement are not and will not be subject to any Encumbrance(s) whatsoever.
- 7.3 There are no other Consents, registrations, notifications to or filings with, any Governmental Authority or other Person, required for the performance of the obligations of the Company under the Transaction Documents and the valid issuance of the Investor Shares. The Investor Shares shall be fully paid up and validly issued, and the Investors shall be entitled to inter alia, all rights accorded to a holder of such shares in the Company.

**8. Maintenance of Books and Records.**

- 8.1 The Company has maintained all the statutory registers, Books and Records prescribed under the Act, and any applicable local Law, under the advice of professional advisors. The minute books of the Company have been properly and accurately maintained and written up to date in all material respects and contain full and accurate records of all resolutions passed by the directors and the shareholders of the Company. All such documents are in the possession or under the control of or accessible to the Company.

**9. Board.**

- 9.1 The Board of Directors of the Company is duly elected and validly appointed as per the provisions of the Act and any applicable local Law and the charter documents. None of the Directors are

disqualified to continue as directors under any provisions of the Act and/or any other statutory legislation, as may be applicable.

#### 10. Meetings of Board and shareholders.

- 10.1 The Company has complied with and are complying with all requirements of the Act and the relevant charter documents for validly conducting the meetings of the Board and its members, and have duly reflected the proceedings of the meetings in the respective minutes.

#### 11. Accounts and Records.

- 11.1 It is hereby confirmed that the books of accounts of the Company have been maintained, the accounts of the Company and the audited accounts of the Company have been prepared, in each case, materially in accordance with applicable Law and in accordance with Indian accounting standards as prescribed by the Institute of Chartered Accountants of India, or such other applicable authority, so as to give a true and fair view of the Business, including the assets, liabilities and general state of affairs.
- 11.2 Since the date of the last audited financial statements provided to the Investors, there has been no event or a condition of any type that has or would have a Material Adverse Effect on the Business.

#### 12. Loans, Borrowings and Encumbrances.

- 12.1 There is no other claim, liability or Indebtedness, of the Company, whether direct, indirect, contingent, absolute, accrued or otherwise, other than as set out in the audited financial statements of the Company as of March 31, 2018 nor is the Company aware of any condition, fact or circumstance that will create such claim, obligation, liability or Indebtedness as on the Closing Date
- 12.2 The total Indebtedness in respect of all deferred purchase price in respect of property or services and/or any security deposit or other retention amounts pursuant to contracts entered into by the Company, does not exceed Rs.5,00,000/- (Rupees Five Lakhs only).
- 12.3 All the Indebtedness of the Company, if any, has been duly authorized by all necessary corporate action and Consents and the requisite filings / registrations in this regard have been duly complied with. There are no other Encumbrances on or against any of the properties, whether tangible, intangible, movable or immovable, of the Company.
- 12.4 The Company has no liability or obligation (whether present, future or contingent) in respect of the Indebtedness of any other Person.
- 12.5 The Company has not provided or agreed to provide, any loan, credit, or financial assistance to any Person.
- 12.6 There are no Encumbrances on the Securities of the Company

#### 13. Taxation Matters.

- 13.1 The Company has procured wherever applicable, licenses under the Tax legislations including but not limited to service tax registration, value added tax registration, etc.
- 13.2 The Company has complied with all material requirements as specified under the respective Tax Laws as applicable to them in relation to returns, computations, notices and information which are or are required to be made or given by the Company to any Tax authority for taxation and for any other Tax or duty purposes, has been made and are correct.

- 13.3 The Company has paid all Taxes which have fallen due for payment. The Company has no notice of any Tax disputes or other liabilities of Taxes in respect of which a claim has been made or notice has been issued against the Company.
- 13.4 All reliefs and other Tax benefits shown in the financial statements are valid and properly claimed and supported with adequate documentation and are available to offset profits of the Company subject to Tax and there are no circumstances in existence, which might cause the disallowance in whole or part of any such relief or benefit either in the period before the Closing Date or in the period after the Closing Date.

#### 14. Legal / Litigation Matters.

- 14.1 The Company has no notice of any proceedings, investigation or enquiry by, nor any notice or communication of any order, decree, decision or judgment of, any court, tribunal, arbitrator, Governmental Authority in respect of, against, or affecting the Company against any employee for whose acts or defaults the Company may be vicariously liable, with respect to an alleged actual violation and/or failure to comply with any such applicable Law, or constitutional document, or requiring it/them to take or omit any action.
- 14.2 The Company has not initiated any proceedings, whether civil, criminal, administrative or otherwise against any person before any Court, arbitrator, Governmental Authority or any other Person.
- 14.3 No order has been made, petition presented, resolution passed, or meeting convened for the winding up (or other process whereby the business is terminated or a substantial part of the assets of the Company is distributed amongst its creditors and/or shareholders or other contributories) of the Company. There are no cases or proceedings under any applicable insolvency, reorganization, or similar Laws concerning the Company.
- 14.4 The Company has not committed:
- 14.4.1 any criminal or unlawful act;
  - 14.4.2 any breach of fiduciary obligation under Law; or
  - 14.4.3 any material breach of contract or statutory duty or any tortious act which could entitle any third party to terminate any contract / agreement to which the Company is a party, which could have a Material Adverse Effect on the Company or the Business.

#### 15. Contractual Arrangements.

- 15.1 The Company has not been a party to any agreement, arrangement or practice which in whole or in part contravenes or is invalidated by any restrictive trade practices, fair trading, consumer protection or similar Laws under the relevant jurisdiction or in respect of which any filing, registration or notification is required pursuant to such Laws (whether or not the same has in fact been made) and which would have a Material Adverse Effect on the Business.
- 15.2 All contracts and all leases, tenancies, licenses and agreements of any nature relating to real estate which the Company is a party to, are valid, binding and enforceable obligations of the respective parties thereto and the terms thereof have been complied with by the Company, and to the Company's Knowledge by the counter parties thereto. The Company is not aware of any grounds for rescission, avoidance or repudiation of any of the contracts or such leases, tenancies, licenses or agreements. No notice of termination or of intention to terminate has been received by the Company in respect of any thereof.
- 15.3 The Company has materially complied with all requirements prescribed by Law in connection with the execution, delivery and performance of all contracts and agreements to which they are a party.



- 15.4 The Company warrants that, except for employment agreements that have been disclosed to the IPV Investors, there are no agreements, understandings or proposed transactions between the Company and any of its Key Management Personnel or directors.
- 15.5 The Company is not in violation of any term of Charter Documents, or, of any material term or provision of any mortgage, indebtedness, indenture, contract, agreement, instrument, judgment, order or decree to which it is party or by which it is bound.
- 15.6 The transactions contemplated by this Agreement will not result in the Company's loss of any right granted under any agreement or contract, which would have a Material Adverse Effect on the Business.
- 15.7 No employee, officer, director or shareholder of the Company or any of such Person's Immediate Relative is indebted to the Company, nor is the Company committed to make loans or extend or guarantee credit to any of them other than (i) for payment of salary for services rendered, (ii) reimbursement for reasonable expenses incurred on behalf of the Company and (iii) for other standard employee benefits made generally available to all employees (including stock option agreements outstanding under any stock option plan approved by the Company's Board of Directors and stock purchase agreements approved by the Company's Board of Directors). To the best of the Company's and the Founders' Knowledge, none of such persons has any direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship, or any firm or corporation that competes with the Company, except in connection with the ownership of stock in publicly-traded companies. To the best of the Founders' Knowledge and the Company's Knowledge, no employee, officer, director or shareholder, nor any of their Immediate Relative, is, directly or indirectly, interested in any contract with the Company (other than such contracts as relate to any such person's ownership of capital stock or other securities of the Company).
- 15.8 There are no transactions, agreements, arrangements or other forms of relationships between the Company and (i) the Founders; (ii) any of the Company's Directors; (iii) any of the Key Management Personnel; (iv) any other shareholders of the Company.
- 15.9 There are no transactions and arrangements between the Company and the Persons mentioned in 15.9 above, which are not on an arm's length basis.

#### 16. Employees, Directors.

- 16.1 The Company is in compliance with all material obligations under the applicable labour Laws and other Laws in relation to their employees. Further, the Company has not entered into any collective bargaining agreements, arrangements and other similar understanding with any trade union, staff association or other body representing the employees of the Company nor has any labour union requested or sought to represent any employees, representatives or agents of the Company. There has not been any strike or other labour dispute involving the Company, neither is such strike or similar action imminent or pending.
- 16.2 To the Company's Knowledge, none of the Key Management Personnel and none of the other employees of the Company are in breach of their respective employment contracts or any terms by which any such person may have been seconded to the Company.
- 16.3 To the Company's Knowledge, none of the Key Management Personnel is obligated under any contract or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with the use of his/her or her efforts to promote the interests of the Company or that would conflict with the Business as currently conducted. Neither the execution

nor delivery of this Agreement, nor the carrying on of the Business by the employees of the Company, nor the conduct of the Business as presently conducted, will, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any of such employees is now obligated. The Company does not believe it is or will be necessary to use any inventions of any of its employees made prior to their employment by the Company.

- 16.4 No Key Management Personnel is currently working or, to the Company's Knowledge, plans to work for a competitive enterprise, whether or not such Key Management Personnel member is or will be compensated by such enterprise.
- 16.5 The Company has complied with the provisions of the Act with respect to payment of remuneration to executive and non-executive Directors.
- 16.6 The Company has paid all the respective entitlements, including without limitation, salary, increments, severance pays and incentives of whatsoever nature, to each of its directors, officers and employees (whether employed by the Company as on the Closing Date or not).
- 16.7 The employee stock options in accordance with the employee stock option plan of the Company will be validly issued in accordance with Law and are as disclosed herein.

#### 17. Operations.

- 17.1 There has been no damage, destruction or loss, whether or not covered by insurance that has had as on or before the Closing Date, a Material Adverse Effect or is likely to have a Material Adverse Effect.
- 17.2 The Company has all franchises, permits, licenses, and any similar authority/certification/authorization necessary for the conduct of its business as now being conducted by it, the lack of which would have a Material Adverse Effect on the Business, and believes it can obtain, without undue burden or expense, any similar authority for the conduct of its business as currently planned to be conducted.
- 17.3 The Company is not in material violation of any applicable Law relating to the environment or occupational health and safety, and no material expenditures are or will be required in order to comply with any such existing Law.

#### 18. Intellectual Property.

- 18.1 The Company is the absolute owner, valid licensee, or authorized user of the IP, which the Company is using. The Company is not using any intellectual property owned by or licensed exclusively to the Founders and no such intellectual property is required by the Company.
- 18.2 To the Company's Knowledge, the use by the Company of any IP does not violate and would not infringe the IP rights of any person and no Person is violating/ infringing the IP rights of the Company.
- 18.3 As on the date of Closing, the Company has not granted, nor is it obliged to grant, any license, sub-license or assignment in respect of any of its IP. There are no restrictions on the right of the Company to license any of the IP owned by the Company.
- 18.4 The use of the IP of the Company is not in violation of any data protection law in place and enforced in any of the jurisdictions the Company operates in or capable of attracting litigation or similar proceedings against the Company.
- 18.5 There are no legal proceedings including any litigation, arbitration, infringement and/or passing off actions filed against and/or to the Company's Knowledge is proposed and/or is threatened to be filed



against the Company. The Company has not received any cease and desist notice so far and the Founders and the Company is/are not aware of any circumstance under which such a notice may be issued.

19. Insurance.

- 19.1 All the assets of the Company have been and are at the date of this Agreement insured to the full replacement value less depreciation thereof against fire, strikes, riots, civil commotion, explosion, lightning, floods, storm, cyclone, burglary (excluding theft) and the Company has and is at the date of this Agreement adequately covered against accidental and unforeseen physical loss or damage caused by mechanical and electrical breakdown, and other risks normally covered by insurance and the same are in force as of the date of this Agreement.
- 19.2 The Company is duly insured through validly subsisting insurance policies against claims arising out of the operations of the Company.

20. Confidentiality of IP.

The Company has not disclosed or permitted to be disclosed or undertaken or arranged to disclose to any person any of its IP except in the Ordinary Course of Business.

**SCHEDULE J  
REPRESENTATIONS OF THE PRE-SERIES A1 CCPS INVESTORS**

Each of the Investors represents and warrants to the Company and the Founder as follow:

**1. Existence and Ability**

- (a) IPV Investors are a group of Individuals (listed in Schedule A- Part I)

Each of the Investors represents and warrants to the Company and the Founder as follow:

**1. Power and Authority**

- (a) Each of the IPV Investors has the full legal right, capacity and authority to enter into this Agreement and the other Transaction Documents, including a General Power of Attorney (as presented in **Schedule L** to this Agreement) to Mr. Ankur Mittal to represent and act on behalf of all IPV Investors in matters related to the Company.
- (b) The FirstPort Capital has the full legal right, capacity and authority to enter into this Agreement and the other Transaction Documents its Investment Manager FirstPort Ventures LLP, a limited liability partnership represented by its Partner Mr. Mitesh Shah ("Investment Manager Representative").

**2. No Violation**

- (a) The execution, delivery and performance by the Investors of this Agreement and the other Transaction Documents and the compliance by each of the Investors with the terms and provisions hereof and thereof do not and will not:
- (i) contravene any provision of any applicable Law, statute, rule or regulation or any order, writ, injunction or decree of any court or governmental instrumentality to which it is subject;
  - (ii) any order or judgment of any court or Governmental Authority, statutory or regulatory body to which it is subject which has the effect of making unlawful or otherwise prohibiting the Transactions contemplated in the Transaction Documents;
  - (iii) conflict with or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Encumbrance upon any of its property or assets pursuant to the terms of any agreement, contract or instrument to which it is a party or by which it or any of its property or assets is bound or to which it may be subject; or
  - (iv) violate any provision of its partnership deed.

**3. Source of funds**

- (a) All payments by each of the Investors for the purposes of subscribing to respective portion of Investors Subscription Securities have not been received or are not associated with any activity carried out in violation of Anti-Corruption laws.

## SCHEDULE K BUSINESS PLAN

### Growfitter Private Limited Consolidated 5 Year Projected Income Statement

All amounts are in INR Cr	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2023-24	F.Y. 2024-25	F.Y. 2025-26
Number of users (In Mn)	0.1	0.2	0.6	1.0	1.7
Avg revenue per user	35.3	46.0	98.4	98.4	131.2
Revenue drivers					
Subscription based Wellness Reward Program (WRP)	1.9	8.5	54.4	95.2	222.1
Comission on sale of Insurance	0.12	2.2	6.8	19.6	38.8
Cash Back offer Fitness Income	0.06	1.1	5.6	10.5	23.4
Net Revenue	2.1	11.8	66.8	125.2	284.3
		5.6 x	5.7 x	1.9 x	2.3 x
Direct Costs					
Rewards Purchase for WWP (30% of net revenue)	0.7	3.1	19.9	34.8	81.3
Cashback on Insurance (50% of commission)	0.1	1.1	3.4	9.8	19.4
Redemption of Cashback claim (20% of commission)	0.0	0.2	1.1	2.1	4.7
	-	-	-	-	-
Total Direct Costs	0.8	4.4	24.4	46.7	105.3
Gross margins	1.3	7.4	42.4	78.5	179.0
%	63%	62%	63%	63%	63%
Operating expenses					
Employee Cost	1.9	4.2	9.0	13.4	16.1
Advertising & Business Promotion Exp.	0.7	2.6	19.7	29.2	50.0
Admin Exp.	0.4	1.0	7.9	14.6	33.3

<b>Total Operating expenses</b>	<b>3.0</b>	<b>7.7</b>	<b>36.6</b>	<b>57.3</b>	<b>99.3</b>
<b>EBITDA Margins</b>	<b>(1.6)</b>	<b>(0.3)</b>	<b>5.8</b>	<b>21.3</b>	<b>79.6</b>
<b>%</b>	<b>-78%</b>	<b>-3%</b>	<b>9%</b>	<b>17%</b>	<b>28%</b>

## SCHEDULE L

### POWER OF ATTORNEY OF IPV INVESTORS

#### TO WHOMSOEVER THESE PRESENTS SHALL COME

I, ....., an individual (hereinafter referred to as the "**Principal**", which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include his heirs, executors and administrators) residing at .....here by nominate, constitute, appointed authorize .....residing at .....to be my true and lawful attorney (hereinafter referred to as the "**Attorney**"), to individually / severally or jointly execute and perform, from time to time, all or any of the following acts, deeds, matters and things in relation to any share purchase and/or share subscription transaction (the "**Transaction**") entered into/ proposed to be entered into for a period of 5 years from the date of execution of this Power of attorney by me as an angel investor on IPV Advisors Pvt. Ltd.'s Investors network in any Company. (hereinafter referred to as "**Company**") namely:

1. To make, execute and enter into principal term sheet, subscription agreement, shareholders' agreement, Share Sale Purchase Agreement (SPA) and any other agreement(s) or document(s) relating to the Transaction, necessary for completing and giving effect to an investment and to renew, vary and discharge all such contracts and agreements and to do all such things for obtaining a renewal, variation and discharge thereof and take any steps or do anything which the Attorney in its absolute discretion considers necessary for the implementation and execution of the Transaction including but not limited to any exercise of any rights in the relevant agreement(s) subject to serial 4 below.
2. To enforce and exercise all the rights of the Principal as required under the terms of the Transaction;
3. To represent and vote on behalf of the Principal in the meetings of shareholders and board as may be convened by Company;
4. To enforce all rights such as Anti-Dilution, Information Rights, Inspection Rights, Pre-Emptive Rights, IPV Investor Protection Matters, Tag along, Drag along and any other exit rights including any right related to transfer/sale of shares) contained in the relevant agreement(s) as referred to in serial 1 above in the manner as may be decided by who have invested in Company in any manner whatsoever including through the execution of the relevant documents;
5. To appoint one or more persons to act as a substitute attorney for the Principal and to exercise the powers conferred on the Attorney by this power of attorney other than the power to appoint a substitute attorney and revoke any such appointment;

**PROVIDED THAT** with respect to exit rights and rights related to transfer/sale of shares, Attorney should take a vote with the Principals (who have also signed similar POA and are participating in this Investment). Decisions with vote greater than 60% represented by value of investments would be considered as the decision of the group. For this right alone, the Attorney is a representative of the Principals based on the vote. In case, the votes are greater than 50% but less than 60%, Attorney's decision would be final. To clarify further, with respect to exit rights, the Principals would decide together and will be considered as one entity acting through the Attorney

**PROVIDED THAT** this power of attorney shall be irrevocable;

AND the Principal do hereby undertake to ratify and confirm whatever the Attorney purports to do in good

faith in the exercise of any power conferred by this power of attorney;

AND the Principal undertakes to indemnify the Attorney fully against all claims, losses, costs, expenses, damages or liability which the Attorney sustain or incur as a result of any action taken by the Attorney in good faith pursuant to this power of attorney (including any cost incurred in enforcing this indemnity)

Shri ..... Power of Attorney holder is authorised to appoint anyone of Mr. Vinay Kumar Bansal son of Shri Vinod Kumar Bansal and Mr. Mitesh Shah son of ..... as a sub power of attorney/ authorised representative for any of the above authorised actions.

Any of the actions authorised under this POA already performed by the POA holder Mr..... are ratified.

This POA is executed on ..... day of ..... 20.....

**Witness 1:**

**Executed By**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

**Witness 2:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

.....  
[Principal]

**Accepted By**

.....  
[Attorney]

**SCHEDULE M**  
**COMPANY'S BANK ACCOUNT (Exclusive for Investment Money)**

Bank name	HDFC BANK
Bank address	Andheri east- Ahura centre
Beneficiary name	Growfitter private limited
Account number	59219820124831
Account Type	Current
SWIFT Code	HDFCINBB
IFSC Code	HDFC0000543



**SCHEDULE N  
PERMITTED BUSINESSES**

## SCHEDULE O

### FORM OF DEED OF ADHERENCE

This Deed of Adherence ("Deed") is made on [insert date of execution] ("Execution Date") by:

- A. [Insert name of Transferee] (the "Transferee"), a company incorporated in [insert state country of incorporation] with its registered office at [insert address of registered office] / [Description of Individual];
- B. [Insert name and description of Transferor] (the "Transferor"); and
- C. [Name of the Company], a company incorporated under the Companies Act, 2013, having its registered office at [•] (hereinafter referred to as the "Company", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its subsidiaries, administrators, successors and permitted assigns)

The Transferee, the Transferor, and the Company shall hereinafter be individually referred to as a "Party" and collectively referred to as the "Parties", as the context may require.

#### WHEREAS:

- A. The Transferor is the owner of [insert number of shares] Equity Securities ("Owned Shares").
- B. The Transferor intends to sell [insert number of shares] Equity Securities ("Sale Shares"), vide [specify instrument of transfer of shares].
- C. The Transferee shall adhere to an agreement entitled "Share Subscription and Shareholders' Agreement" dated [•] made between the parties named therein (the "Shareholders Agreement") by which the Shareholders agreed to provisions relating to the ownership of the Company and the conduct of its business.

#### NOW THIS DEED WITNESSES as follows:

##### 1. DEFINITIONS AND INTERPRETATIONS

###### 1.1 Definitions

In this Deed (including the Recitals and Schedule hereto), unless the subject or context otherwise requires, words defined in the Shareholders Agreement shall have the same meanings when used herein.

###### 1.2 Interpretation

The provisions of Clause I (Definitions and Interpretations) of the Shareholders Agreement shall apply to this Deed *mutatis mutandis*.

##### 2. REPRESENTATIONS AND WARRANTIES

- 2.1 The Transferee represents and warrants to all the Parties to the Shareholders' Agreement ("Beneficiaries") that as on the Execution Date, the following warranties are true and correct and shall continue to be true and correct on the Effective Date:

- (a) Each Transferee, to the extent not an individual, is duly incorporated and validly existing under, and by virtue of, the laws of the relevant country of their incorporation and has all the requisite power and authority to own its properties and assets and to carry on its business as now conducted. Each Transferee, to the extent an individual, is a natural person, a citizen of India with full legal capacity and individual power to enter into, deliver and perform his or her obligations under this Deed and the Shareholders Agreement.
  - (b) All corporate actions on the part of the Transferee necessary for the authorisation, execution, delivery, and performance of the Deed and the Shareholders Agreement have been taken. The Deed executed and delivered by the Transferee, and the obligations adhered to under the Shareholders Agreement constitutes valid and legally binding obligations of the Transferee.
  - (c) The Deed, when executed by the representative of the Transferee, to the extent not an individual, will be duly executed by such person who would have all the necessary corporate authority to execute this Deed and this Deed shall not be invalidated by reason that such person may not have had the necessary authorisation. The Transferee does not require the consent of any Governmental Authority, or any other third party in order to execute, perform and observe the terms of this Deed and the Shareholders Agreement.
3. The Transferee hereby covenants and agrees with each of the Beneficiaries that from the date of completion of the transfer of the Sale Shares ("**Effective Date**"), it will observe and discharge all the terms and conditions of the Shareholders Agreement which are applicable to it as a party to the Shareholders Agreement, including all undertakings, limitations and restrictions contained therein and as an owner of the Sale Shares in all respects as if it had been originally named as a Party to the Shareholders Agreement in respect of the aforesaid provisions.
4. The Parties agree that from the Effective Date, the Transferee shall be entitled to exercise all rights under the Shareholders Agreement which were exercisable by the Transferor as if the Transferee were a party to the Shareholders Agreement. The Parties further irrevocably and unconditionally consent to the transfer of the rights and obligations of the Transferor under the Articles of Association of the Company (the "**Articles**") to the Transferee, such that references in the Articles to the Transferor shall be deemed to include references to the Transferee.
5. The Transferor hereby covenant(s) to and agrees with the Company (and acknowledges that each of the other shareholders of the Company shall be entitled to enforce this covenant as if they are parties to this deed) that upon the transfer of the Sale Shares (in the event the Transferor is transferring part of the Owned Shares), the Transferor shall be liable with the Transferee for the performance by the Transferee of its obligations under the Shareholders Agreement with respect to the Sale Shares.

Or

Following completion of the transfer of the Owned Shares in entirety to the Transferee, the parties hereby release the Transferor from all present and future claims, demands, obligations and liabilities whatsoever under the Shareholders Agreement.

6. **NOTICES**

The address of the Transferee for the purpose of notice under Clause 25.2 (*Notices*) is [*insert*] and Clause 25.2 (*Notices*) shall accordingly be amended to include the details of the Transferee.

7. **ASSIGNMENT AND TRANSFER**

The parties hereto acknowledge and agree that, save as provided in the Shareholders Agreement, no party shall have any right to assign, transfer or in any way dispose off the benefit (or any part thereof) or the burden (or any part thereof) of this Deed without the prior written consent of the other parties.

8. **THIRD PARTY RIGHTS**

No term of this Deed is enforceable by a Person who is not a party to this Deed.

9. **GENERAL PROVISIONS**

The provision of Clauses 25.2 (*Notices*), 24 (*Governing Law and Arbitration*) and Clause 25 (*Miscellaneous*) of the Shareholders Agreement shall be deemed to have been incorporated herein by reference, provided that references therein to the Shareholders Agreement shall be deemed to be references to this Deed.

IN WITNESS WHEREOF this Deed has been entered into on the date stated first above.

\_\_\_\_\_  
FOR [*Insert name of Transferee*]  
Authorised Signatory

\_\_\_\_\_  
FOR [*Insert name of Transferor*]  
Authorised Signatory

## **SCHEDULE P**

### **TERMS OF PRE SERIES A1 CCPS**

The Pre-Series A CCPS shall be governed by the following terms and conditions:

1. **Dividend rights:** The Pre Series A1 CCPS Investors will be entitled to cumulative dividend of 0.0001% per annum. Any dividend declared by the Company on any other Securities will be paid to the Pre-Series A Investors proportionately on an as if converted basis.
2. **Conversion rights:** Each [Pre-Series A1 CCPS] shall automatically convert into one equity share (Conversion ratio 1:1) of the Company without any additional payment to the Company for such conversion, upon the earliest of:
  - (i) 1 day prior to the expiry of 20 years from the Closing Date under the Agreement;
  - (ii) anytime at the option of New Investors;
  - (iii) the occurrence of a Liquidation Event as set forth in the Agreement at the option of New Investors; or
  - (iv) in connection with an IPO, prior to the filing of a prospectus by the Company.
3. **Voting and other rights – Pari passu with Equity Shares:** The Pre-Series A1 CCPS shall rank pari-passu with existing Equity Shares or any Shares issued in the future having all rights and with all Share activities including but not limited to voting rights, and bonus shares. Subject to applicable Law, the Pre Series A1 CCPS Investors will be entitled to voting rights on an as if converted basis. Accordingly, but subject to adjustments as set forth herein, the Pre Series A1 CCPS Investors shall be entitled to the same number of votes for each Pre Series A1 CCPS as a holder of 1 Equity Share, provided however that in the event of any adjustment in conversion price, the number of votes associated with each Pre Series A1 CCPS will change accordingly. Each of the Shareholder holding Equity Shares with voting rights agree that, if the Applicable Law does not permit Pre Series A1 CCPS Investors ("Non-Voting Preference Shareholder") to exercise voting rights on all or any Shareholder matters submitted to the vote of the Shareholders (including the holders of Equity Shares) ("Non-Voting Preference Shares"), then until the conversion of all such Non-Voting Preference Shares into Equity Shares, each Shareholder shall, provide proxies to the Non-Voting Preference Shareholder for the purposes of a general meeting, equivalent to such Non-Voting Preference Shareholder's voting rights computed on a Fully Diluted Basis.
4. **Protection Rights:** On any new investment in the Company or on new investor investing in the Company, whatsoever, at no time and under no circumstances, by any deal/ transaction/ arrangement/ understanding, agreement, etc. with the new investor, (i) the rights of the Pre Series A1 CCPS Investors shall be made inferior vis-à-vis the rights of the new investor the Pre Series A1 CCPS Investors shall be made inferior vis-à-vis the rights of the new investor in matters of dividend, exit rights, and liquidation preference, pre-emptive, anti-dilution, and information rights (ii) other rights of Pre Series A1 CCPS Investors shall be made inferior vis-à-vis the rights of the new investor without written consent of the Pre Series A1 CCPS Investors. The Founder and the Company shall act accordingly to secure the rights of the Pre Series A1 CCPS Investors.

5. **IPV Investor Securities:** Each New Investor shall at its sole discretion have the right to freely Transfer its Securities in the Company at any time to any Person, except to the Competitor or a Person that holds more than 5% shareholding on Fully Diluted Basis in such Competitor for a period of 5 (five) years from the Closing Date. Notwithstanding the above, the restriction against transfer to Competitors shall not apply to the Pre Series A1 CCPS Investors in the event of a Material Breach by the Founder or the Company.
6. In addition to the above, all the existing rights of the Existing Investors of the Company shall become applicable for the Pre Series A1 CCPS Investors.

## SCHEDULE Q

### TERMS OF PRE SERIES A CCPS

1. Dividend Right – Pre-Series A CCPS investors shall carry a preferential non-cumulative dividend of 0.001% per annum.
2. Conversion rights –
  - a. Optional Conversion – Investor shall have the right (but not the obligation) to convert all or any of the Pre-Series A CCPS held by them, as the case may be, into fully paid Equity Shares of the Company, at a conversion price that equals to the subscription price per Pre-Series A CCPS subject to Pre-Emptive Rights and Anti-Dilution rights. Investor shall be entitled to convert each Pre-Series A CCPS into one Equity Share of the company.
  - b. Mandatory Conversion – The Pre-Series A CCPS outstanding on the “Mandatory Conversion Date” shall be mandatorily and automatically converted to fully paid-up Equity Share at the then prevailing Conversion Price and Conversion Ratio. “Mandatory Conversion Date” shall be earlier of (i) a Qualified IPO and (ii) Twenty years from the date of issuance and allotment of Pre Series A CCPS
3. Voting Rights – Investors are entitled to exercise voting rights in respect to the respective investor shares held by them on a Converted Basis. With respect to voting rights, the pre-series A CCPS will rank *pari-passu* with the other Equity Shares issues by the Company
4. Investor Transfer Rights – Investor shares shall be freely transferable by the Investors except that the investor shall not without the prior consent of the founder sell/transfer their shares in the company to any direct competitor of the Company unless
  - a. There is a Material Breach by the founders or the company with respect to any terms of the Definitive agreement or
  - b. In any other case, in the event the Founder and the Company have failed to provide an exit.