

[on stamp paper of appropriate value]

Dated: [●], 2022

SHARE SUBSCRIPTION AGREEMENT

BY AND BETWEEN

THE COMPANY

AND

THE FOUNDERS

AND

THE ANGEL INVESTORS

SHARE SUBSCRIPTION AGREEMENT

This SHARE SUBSCRIPTION AGREEMENT (the “**Agreement**”) is executed at [●] on this [●] day of [●], 2022 (“**Effective Date**”)

BY AND BETWEEN

-----a company duly incorporated under the Companies Act, 2013, with corporate identification number ----- and 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 successors and permitted assigns) of the **FIRST PART**;

AND

Mr. -----, son of Mr. -----, an adult Indian national and presently residing at -----, (hereinafter referred to as the “**Founder 1**”, which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include his successors, legal representatives and permitted assigns) **SECOND PART**;

AND

Mr. -----son of Mr. -----, an adult Indian national, and presently residing at ----- (hereinafter referred to as the “**Founder 2**”, which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include his successors, legal representatives and permitted assigns) **THIRD PART**;

AND

-----, a -----, with its place of business at -----, (hereinafter referred to as “-----”, which expression shall, unless be repugnant to the context or meaning thereof, be deemed to mean and include their legal representatives, heirs, successors, executors, and permitted assigns) of the **FOURTH PART**;

AND

-----, a -----, having its place of business at ----- (hereinafter referred to as “-----”, which expression shall, unless be repugnant to the context or meaning thereof, be deemed to mean and include their legal representatives, heirs, successors, executors, and permitted assigns) of the **FIFTH PART**.

Founder 1 and Founder 2 are referred to as “**Founders**” respectively.

The -----and the ----- shall collectively be referred to as “Angel Investors” and each, individually, as an “Angel Investor” as mentioned in Schedule 1A.

The Company, the Founders and the Angel Investors are collectively referred to as the “**Parties**”, and each, individually, as a “**Party**”.

WHEREAS:

1. The Company is engaged in the business of ----- (“**Business**”). The main objects of the Company are to carry on the business of -----.
2. The Authorised Share Capital of the Company is INR -----Rupees -----) divided into -----Equity Shares of INR 10/- (Indian Rupees Ten).

3. The shareholding pattern of the Company as on the Effective Date on Fully Diluted Basis is as specified in **Schedule IA**.
4. The Parties agree and acknowledge that the total pre-money valuation of the Company for the purpose of the Angel Investors is INR -----
5. At the request of the Company and the Founders, and placing reliance on the representations, warranties, covenants, and undertakings, given by the Company and the Founders, and subject to the terms and conditions contained in this Agreement and SHA, the Angel Investors have agreed to subscribe to -----number of Subscription Securities (*as defined hereinafter*) of the Company for an aggregate consideration of INR ----- in accordance with the terms and conditions contained in this Agreement and having the rights and privileges as set out in this Agreement, SHA and the Restated Articles.
6. The Company has agreed to allot the Subscription Securities and to assume the obligations imposed on the Company under this Agreement and the terms of a shareholders agreement dated [●] entered between the Company, the Founders and the Angel Investor (“SHA”), which will replace and supersede (from the Closing Date onwards, and except to the extent provided under the SHA) any pre- existing agreements and any other arrangements, whether in oral or in writing, amongst Company, founders and Angel Investors.
7. The Angel Investors, relying on the representations and warranties of the Founders and the Company as set out herein, on and subject to the terms and conditions contained herein, and in consideration of the rights to be provided to the Angel Investors by the Company hereunder and the SHA, have agreed to subscribe to the Subscription Securities.

NOW IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

Definitions

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

- (a) “**Act**” means The Companies Act, 2013, or any statutory modification or amendment thereto, or re-enactment thereof, for the time being in force and includes rules, regulations, notifications, circulars and clarifications thereunder or thereto;
- (b) “**Agreement**” means this Share Subscription Agreement, together with the recitals and schedules, as may be amended from time to time in accordance with the provisions hereof;
- (c) “**Board**” or “**Board of Directors**” shall mean the board of directors of the Company, as constituted from time to time;
- (d) “**Charter Documents**” means the Memorandum of Association and Articles of Association of the Company, as amended from time to time.
- (e) “**Designated Bank Account**” means [●];
- (f) “**Employment Agreements**” means the agreement entered into between each Founders and the Company, in relation to his obligation to work with the Company;
- (g) “**Encumbrance**” means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or

financial effect similar to the granting of security under Law, (ii) any agreement on voting, interest, option, right of first offer, refusal or transfer restriction in favour of any person and (iii) any adverse claim as to title, possession or use;

- (h) **“Equity Shares”** mean the ordinary equity shares of par value of INR 10/- (Indian Rupees Ten only) each in the equity share capital of the Company and having 1 (One) voting right for each such equity share;
- (i) **“Event of Default”** means
 - i. a material breach of any term of the Transaction Documents by the Company and/or the Founders and such material breach, where capable of being remedied, is not remedied by the Founders and/or the Company within 30 (thirty) business days from the date of the same being reported by the relevant Angel Investor to the Founders and/or the Company in writing along with the details of such breach; or
 - ii. if a receiver is appointed or execution of process of any court or authority is issued or any administrator, liquidator or manager is appointed for the Company and/or the Founders or all or any part of their assets or undertaking or the Company or the Founders is subject to any insolvency proceedings or otherwise becomes insolvent; or
 - iii. if any of the Founders ceases to be in the day-to-day management of the Company or resigns without Cause (as defined in the Employment Agreement) or the employment is terminated for Cause (as defined in the Employment Agreement); or
 - iv. the Founders commit any act or omission involving gross negligence, willful misconduct, misrepresentation or fraud, or commits any offence against the Company or the Angel Investors which is criminal in nature; or
 - v. the Founders are restricted in any manner from conducting the Business, by any statutory authority.
- (j) **“Force Majeure”** means, in relation to a Party, any act, event or circumstance beyond the reasonable control of that Party which affects its performance of its obligations under this Agreement including, but not limited to epidemic, pandemic, fire, flood, explosion, war, riots, government action or inaction or requests of a Governmental Authority;
- (k) **“Fully Diluted Basis”** means the aggregate of the existing paid-up equity share capital of the Company and shall assume for such computation that all outstanding convertible securities (whether or not by their terms then currently convertible, exercisable or exchangeable) share options, debenture warrants, including but not limited to any outstanding commitments to issue shares at a future date, have been so converted, exercised or exchanged;
- (l) **“Government”** or **“Governmental Authority(ies)”** means any statutory authority, governmental department, agency, commission, board, tribunal or public body or authority, including courts of competent jurisdiction or any other entity authorised to make laws, rules or regulations or pass directions having or purporting to have jurisdiction in India or any state or other subdivision thereof or any municipality, district or other subdivision thereof and any authority exercising powers conferred by law;
- (m) **“Investment Amount”** means INR 385,00,280 (Rupees Three Crore Eighty Five Lakhs Two Hundred and Eighty Only) paid/ payable by the Angel Investors to the Company for the subscription of Subscription Securities;

- (n) **“Law”** means any applicable national, provincial, local or other law, regulations, administrative orders, ordinance, constitution, decree, principles of common law, binding governmental policies, statute or treaty, and shall include notifications, guidelines, policies, directions, directive and orders of any statutory authority, board, tribunal or recognised stock exchange;
- (o) **“Losses”** include all liabilities, losses, claims, demands, obligations, fines, expenses, deficiencies, costs and damages whether or not resulting from third party claims, including interests and penalties with respect thereto and out-of-pocket expenses, including reasonable attorneys’ and accountants’ fees and disbursements;
- (p) **“Material Adverse Effect”** means an occurrence of an event which causes a material adverse effect on:
 - i. the assets, Business, properties, including without limitation, the Intellectual Property, financial condition, results of operations, material consents, permits or licenses of the Company; or
 - ii. the ability of any Party to perform its obligations under this Agreement; or
 - iii. the validity or enforceability of the Transaction Documents or any of the rights or remedies or obligations of the Parties;
- (q) **“Person”** means any natural person, limited or unlimited liability company, corporation, general partnership, limited partnership, proprietorship, trust, union, association, court, tribunal, agency, government, ministry, department, commission, self-regulatory organisation, arbitrator, board, or other entity, enterprise, authority, or business organisation;
- (r) **“Related Party Transaction”** means any transaction with a Related Party and includes all existing and future transactions between the Company, the Founders, Shareholders or their Affiliates and any transaction, agreement or arrangement between the Company, and any Affiliate or entity firm in which the Company or the Founders or any of their Affiliates have a financial interest of more than 10%; All such transactions should be in accordance with Section 188 of the Act.
- (s) **“Representations and Warranties”** means the representations and warranties made/provided by the Founders and the Company to the Angel Investors as contained in **Schedule III** of this Agreement;
- (t) **“Rupees”** or **“Rs.”** or **“INR”** means the lawful currency of the Republic of India;
- (u) **“Share/s”** means all classes of shares of the Company and all other kinds of securities, warrants or options convertible into Equity Shares;
- (v) **“Shareholder”** means from time to time any Person in whose name Shares are registered in the Company’s register of members and/or register of preference shares, and **“Shareholders”** means all of them;

- (w) **“Subscription Securities”** means 12,740 (Twelve Thousand Seven Hundred and Forty Only) number of compulsorily convertible preference (**Seed Series A0 CCPS**) shares issued by the Company to Angel Investors per the terms of this Agreement, including but not limited to Schedule II.
- (x) **“Tax”** means all direct or indirect taxes, duties, cess or other similar charges levied by any Government Authorities including interest, fines, penalties, assessments, or additions to tax resulting from, attributable to, or incurred in connection with any such tax or any contest or dispute thereof;
- (y) **“Transaction Documents”** means the Agreement and the SHA including the letters & schedule attached / referred therein, Employment Agreements and the Restated Articles and any other document executed pursuant to this Agreement and the SHA and the transactions contemplated therein.

1.1 Interpretation

Unless the context otherwise requires in this Agreement:

- (a) words importing persons or parties shall include firms and corporations and any organisations having legal capacity;
- (b) words importing the singular include the plural and vice versa where the context so requires;
- (c) reference to any law shall include such law as from time to time enacted amended, supplemented or re-enacted;
- (d) reference to any gender includes a reference to all other genders;
- (e) reference to the words “include” or “including” shall be construed without limitation;
- (f) reference to this Agreement or any other agreement, deed or other instrument or document shall be construed as a reference to such agreement, deed or other instrument or document as the same may from time to time be amended, varied supplemented or novated;
- (g) the headings and titles in this Agreement are indicative only and shall not be deemed part thereof or be taken into consideration in the interpretation or construction hereof;
- (h) time is of essence in the performance of the Parties’ respective obligations. If any time period specified herein is extended by mutual agreement between the Parties, such extended time shall also be of essence;
- (i) 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;
- (j) references to the shareholding of any Shareholder shall (a) refer to the shareholding of such Shareholder computed on a Fully Diluted Basis, and (b) include the shareholding of such Shareholder’s Affiliates; and
- (k) any change, waiver or deferral in the Transaction Documents can be carried out in writing by the Angel Investors and Angel Investors may attach to such change, waiver or deferral, additional requirements / further conditions as considered appropriate by them.

1.2 Other Definitions

In addition to the terms defined in this Clause 1, certain other terms are defined elsewhere in this Agreement or SHA and whenever such terms are used in this Agreement they shall have their respective defined

meanings, unless the context expressly or by necessary implication otherwise requires. Terms not defined herein shall have the same meaning as assigned to such terms in the SHA. Terms not defined elsewhere in this Agreement or the SHA shall have the meaning ascribed to them under the Act, unless the context expressly or by necessary implication otherwise requires. Provided that in the absence of a definition being provided for a term, word or phrase used in this Agreement, no meaning shall be assigned to such term, word, phrase which derogates or detracts from, in any way, the intent of this Agreement and the interests of the Angel Investors.

2. SUBSCRIPTION OF SEED SERIES A0 CCPS AND USE OF PROCEEDS

- 2.1. Subject to the terms and conditions of the Transaction Documents (including, without limitation, fulfillment of all the conditions precedent to the sole satisfaction of the Angel Investors) and in reliance on the Representations and Warranties and other covenants, indemnities and undertakings set out in the Transaction Documents, the Company agrees to issue and allot (and the Founders shall procure that the Company shall issue and allot), and the Angel Investors agree to subscribe to the Subscription Securities for consideration as follows:

Name of the Investor	Investment Amount	Price Subscription Security /	Number of Subscription Securities	% of capital (on Fully Diluted Basis)

- 2.2. The Company, Founders and the Founder Director/s appointed on the Board of the Company, shall take such steps and actions and do all such acts, deeds and things including without limitation passing all such necessary Board resolution and Shareholder resolutions as may be required to issue the Subscription Securities to the Angel Investors pursuant to the investment by the .
- 2.3. The Company and the Founders shall prepare and provide to the Angel Investors from time to time, such information in relation to the use of the Investment Amount subject to receipt of 7 days prior notice , as may be required by the Angel Investors.
- 2.4. If any of the Conditions Precedent or Conditions Subsequent, as the case may be, are waived or deferred by Angel Investors, it may attach to such waiver or deferral, such requirements and further conditions as may be considered appropriate by the such Angel Investor.
- 2.5. The shareholding pattern of the Company on a Fully Diluted Basis as on the Closing Date shall be as specified in **Schedule IB**.

3. CONDITIONS PRECEDENT

- 3.1. The obligation of the Angel Investors to subscribe to the Subscription Securities is subject to the Founders and the Company, as may be applicable, fulfilling the following conditions precedent to the satisfaction of Angel Investors (“**Conditions Precedent**”) on or before the expiry of 30 (thirty) days from the Effective Date (“**Long Stop Date**”):
- 3.1.1. **Representations and Warranties:** The Company and the Founders shall certify that the Representations and Warranties shall be true and valid, when made and on and as of the Closing Date with the same force and effect as though they were made at such time;
- 3.1.2. **Performance under this Agreement:** The Company and the Founders shall confirm that they have performed and complied with all of their agreements, obligations and conditions contained in the Transaction Documents;

- 3.1.3. **Increase and Reclassification of the Authorised Share Capital:** The Company shall have carried out the following:
- (a) convened a meeting of the Board at which meeting, the Directors shall have, subject to the approval of the Shareholders of the Company, approved the increase and/or reclassification of the authorised Share Capital of the Company, as required, to enable the issuance and allotment of the Subscription Securities and amendment of the memorandum of association of the Company in connection therewith;
 - (b) convened an extra-ordinary general meeting (EGM) for approving the increase and/or reclassification of the authorised Share Capital of the Company to enable the issuance and allotment of the Subscription Securities; and
 - (c) delivered to the Angel Investors certified true copies of the aforementioned resolutions passed by the Board and the Shareholders of the Company and copies of all filings (Form SH-7) made with Governmental Authorities in relation to the increase and/or reclassification of the authorised Share Capital.
- 3.1.4. **Resolutions and Statutory Filings:** The Company shall have delivered to the Angel Investors certified true copies of the resolutions of the Board and the Shareholders of the Company, duly certified by a Director of the Company as true and complete with respect to:
- (a) approving the issuance of the private placement offer letter in Form PAS-4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (as amended from time to time) to the Angel Investors on the terms and subject to the conditions of this Agreement (“**Offer Letter**”); and
 - (b) recording the name of the Angel Investors and details of the Offer Letter in Form PAS-5 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014 (as amended from time to time).
- 3.1.5. **Offer Letter:** The Company shall have issued the Offer Letter to the Angel Investors in relation to the allotment of the Subscription Securities, along with the requisite application forms, in respect of the Subscription Securities;
- 3.1.6. **Valuation Certificate:** The Company shall have provided to the Angel Investors , a valuation certificate from a registered valuer in accordance with the provisions of the Act;
- 3.1.7. **Amendment to Charter Documents:** The restated Charter Documents incorporating the terms of the Transaction Documents, specifically excluding the provisions of Sections 43 and 47 of the Act and updated in accordance with the Act shall have been finalized in the agreed form, prior to Closing Date;
- 3.1.8. **Execution of the SHA:** This Agreement shall be executed between the Company, the Founders, and the Angel Investors and the SHA shall be executed between the Company, the Founders, and the Angel Investors, which shall become effective as of the Closing Date;
- 3.1.9. **Employment Agreements:** The Founders and such Key Employees as specified by the Angel Investors shall enter into an employment agreement with the Company in a form and that is customary or normal business practice, prior to Closing Date;
- 3.1.10. **Declaration of other business interests:** The Founders shall declare their association with all other entities and all other business interests, prior to the Closing Date, and shall not, from the Closing Date, undertake any such activities without prior written approval of the Angel Investors as detailed in his employment agreement;

- 3.1.11. **Founders' IP Assignment Agreements:** The Founders shall, prior to the Closing Date, procure the assignment of all Intellectual Property / licenses in relation to the Business held by them or any other employees to the Company;
- 3.1.12. **Business Plan:** The Company shall have furnished to the Angel Investors a detailed Business Plan of the Company and Angel Investors shall have approved the same. A concise Business Plan annexed in **Schedule IV**;
- 3.1.13. **[MSME Certificate:** The Company shall have provided to the Angel Investors a certificate qualifying it to be an MSME under the Micro, Small and Medium Enterprises Development Act, 2006 issued by the relevant authority under the applicable Law, prior to Closing Date;]
- 3.1.14. **[Waiver:** All Shareholders of the Company having any pre-emptive, first refusal, participation or other rights with respect to the issuance of the Subscription Securities shall have irrevocably waived the same in writing with respect to such issuance pursuant to this Agreement. All Shareholders of the Company shall confirm in writing that they have no existing claim and/or dispute against the Company and/or the Founders. The Company shall deliver to Angel Investors copies of such waivers and confirmations of the existing Shareholders];
- 3.1.15. **Judicial Mandate:** The Company shall have delivered to the Angel Investors a confirmation that, there has not been any proceeding, order, injunction, or other action issued, pending or to the Company and Founders' knowledge threatened, which (i) involves a challenge to or seeks to or which prohibits, prevents, restrains, restricts, delays, makes illegal or otherwise interferes with the consummation of any of the transactions contemplated under any of the Transaction Documents, or (ii) seeks to impose conditions upon the ownership or operations of the Company or which affects the ability of the Angel Investors to subscribe to the Subscription Securities and the Company to issue and allot the Subscription Securities, and no applicable law shall have been proposed, promulgated, adopted, enacted or entered or otherwise made effective by any Governmental Authority that has or would have such effect;
- 3.1.16. **Event of Default:** No Event of Default shall have occurred;
- 3.1.17. **Material Adverse Effect:** No Material Adverse Effect shall have occurred.
- 3.2. The Company shall, within 7 (Seven) days from the Effective Date, and in no case later than the Long Stop Date, issue and the Founders shall ensure that the Company issues a letter in the format as specified in **Schedule V** ("**CP Satisfaction Letter**") confirming to the Angel Investors that all the Conditions Precedent have been satisfied, together with all relevant documents evidencing such satisfaction.
- 3.3. The Parties shall co-operate and provide all reasonable assistance, information, and documents required for the satisfaction of the conditions precedent.
- 3.4. The Company, the Founders and the Angel Investors shall not be entitled to rescind or terminate this Agreement after the Closing Date.
- 3.5. Within 14 (fourteen) days of the receipt of the CP Satisfaction Letter, Angel Investors shall either (a) confirm the satisfaction of the Conditions Precedent or (b) intimate the Company of non-satisfaction or waiver of the satisfaction of the Conditions Precedent (the "CP Satisfaction Confirmation"). If any of the Conditions Precedent are not satisfied within 7 (seven) days from the receipt of the CP Satisfaction Confirmation (or such later date as may be mutually agreed between the Parties), then the Angel Investors shall have the right to terminate this Agreement vis-à-vis such Angel Investor and the Agreement shall stand terminated forthwith upon completion of 7 (seven) days from the receipt of the CP Satisfaction Confirmation (or such later date as may be mutually agreed between the Parties) vis-à-vis such Angel Investor and the Company shall refund all amounts received from the Angel Investors under this Agreement. It is hereby clarified that such termination by one Investor shall not be deemed a termination by any other Investor.

4. CLOSING

- 4.1. **Obligations of the Angel Investors at Closing Date:** On Closing Date, the Angel Investors shall remit the Investment Amount in the Designated Bank Account towards the subscription of the Subscription Securities.
- 4.2. **Obligations of the Company / Founders at Closing Date:** On the date of receipt of the Investment Amount (“Closing Date”):
- a) The Company shall hold and the Founders shall ensure that the Company holds a Board meeting where through a resolution it shall:
- (i) allot the Subscription Securities to the Angel Investors;
 - (ii) approve the issuance of share certificate and the letters of allotment representing the Subscription Securities;
 - (iii) enter the name of the Angel Investors in the register of members of the Company as a Shareholder with respect to the Subscription Securities;
 - (iv) call for an extra-ordinary general meeting by shorter notice for undertaking such acts as mentioned in Clause 4.2 (b); and
 - (v) appoint one nominee of Angel Investor as Director on the Board, as required by the Angel Investors. The Angel Investors together with the existing shareholders of the Company are liable to appoint one nominee director only in case they all together hold not less than 5% equity share capital in the Company.
- b) The Company shall hold and the Founders shall ensure that the Company holds a general meeting of the Shareholders at a shorter notice where:
- (i) the Restated Charter Documents (Article of Association/ Memorandum of Association) shall be adopted by the Company
 - (ii) the Shareholders shall approve the appointment of the Angel Investors’ nominee Director on the Board..
- 4.3. The Company shall deliver and the Founders shall ensure that the Company delivers to Angel Investors within 15 days of Closing:
- (i) duly stamped and signed letters of allotment with respect to the Subscription Securities which shall be signed by a Director and an authorised signatory of the Company and bearing an authenticated seal of the Company, if any;
 - (ii) duly stamped share certificate evidencing title to the Subscription Securities;
 - (iii) a certified true copy of the Board resolution as mentioned in Clause 4.2(a) and Shareholders resolution as mentioned in Clause 4.2 (b);
 - (iv) certified copy of the Restated Articles of the Company;
 - (v) receipt for the Investment Amount received; and
 - (vi) a certified copy of the register of members of the Company.
- 4.4. The Company shall undertake and the Founders shall ensure that the Company undertakes filing of the following forms with the jurisdictional registrar of companies within the timelines prescribed under the Applicable Laws and provide to the Angel Investors certified true copies of all such filings, together with their respective attachments:

- (i) Form No. DIR 12 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to the appointment of the Directors appointed by the Angel Investors on the Board;
 - (ii) Form No. PAS. 3 pursuant to Rule 12 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with respect to the allotment of the Subscription Securities issued and allotted to the Angel Investors and deliver copies thereof to the Angel Investors ;
 - (iii) Form No. MGT 14 pursuant to Section 117 of the Act read with the Companies (Management and Administration) Rules, 2014 for filing of the restated Charter Documents along with the special resolution passed for adopting the restated Charter Document and the unanimous resolution passed pursuant to Companies Act, 2013 in the requisite form with the registrar of companies; and
 - (iv) All the other relevant statutory forms under the Act and other applicable Laws.
- 4.3. Closing shall occur when all the transactions contemplated under Clause 4.1 to Clause 4.2 have been completed as defined and stipulated herein (“**Closing**”). It is hereby clarified that that the Company may undertake the actions as stated in Clause 4.1 and Clause 4.2 separately for one or more of the Angel Investors in respect of the Investment Amount received from an Angel Investor individually and hence, the term “Closing” and “Closing Date” shall be construed in respect of an Angel Investor accordingly.
- 4.4. The Company and Founders agree and undertake with the Angel Investors that the Company shall utilize the proceeds of the Investment Amount solely in accordance with the Business Plan approved by the Angel Investors and the Founders. It is clarified that save and except as set out in the Business Plan, the Company shall be prohibited from using the proceeds of the Investment Amount towards pay out of past liabilities (including contingent liabilities) like retirement of existing debt or secondary purchase of Shares from any shareholder of the Company.
- 4.5. If any of the provisions of this Clause 4 are not complied with by the Company/Founders on the Closing Date, the Angel Investors may do all or any of the following:
- 4.5.1. defer the Closing Date, to a date not more than 30 (thirty) days after the Long Stop Date, (in which case the provisions of this Clause 4 will apply to such deferred Closing Date);
 - 4.5.2. terminate all or any of the Transaction Documents;
 - 4.5.3. proceed to Closing, as the case may be, so far as is practicable (without prejudice to its remedies in law or under this Agreement against the Company);
 - 4.5.4. require the Company to forthwith refund the Investment Amount. In the event of the Company failing to refund the Investment Amount to the relevant Angel Investor within 3 days of the written request of the Angel Investor, the Company shall be liable to pay simple interest at 12% per annum or to the maximum extent allowed under the applicable Law till the Investment Amount is repaid in full.

5. REPRESENTATIONS AND WARRANTIES AND COVENANTS

- 5.1. Each of the Founders and the Company, jointly and severally, hereby confirm that the Representations and Warranties are true and correct in all respects as on the date hereof, on the Closing Date. Further, the Company and the Founders hereby acknowledge that the Angel Investors are entering into this Agreement relying upon such Representations and Warranties.
- 5.2. No information relating to the Company of which the Angel Investors have knowledge (actual or constructive) or reason to believe or suspect, and no investigation by or on behalf of the Angel Investors shall prejudice any claim

made by the Angel Investors under such Representations and Warranties or operate to reduce any amount recoverable by the Angel Investors or any liability of the Founders and the Company.

- 5.3. The rights and remedies of the Angel Investors in respect of a breach of the Representations and Warranties shall not be affected by any investigation made by or on behalf of the Angel Investors into the affairs of the Company, by any failure to exercise or delay in exercising a right or remedy, or by any other event, except a specific and duly authorised and express waiver or release stated in writing.
- 5.4. Each of the Representations and Warranties shall be construed as a separate and independent warranty and (save as expressly provided to the contrary herein) shall not be limited, restricted, modified or qualified by reference to or inference from the terms of any other Representation and Warranty or any investigations or findings by the Angel Investors or any other term of this Agreement.
- 5.5. The Company and the Founders undertake to notify the Angel Investors in writing immediately they become aware of any fact, matter or circumstance (whether existing on or before the date of this Agreement or arising afterwards) which would cause any of the Representations and Warranties given by them to become untrue or inaccurate or misleading in any respect.
- 5.6. The Founders and the Company shall give to the Angel Investors and their representatives, including its legal advisors and accountants (with prior notice of not less than 7 days), all such information and documentation as the Angel Investors shall reasonably require to enable it to satisfy itself as to the accuracy and due observance of the Representations and Warranties.

6. COVENANTS OF THE COMPANY AND THE FOUNDERS

The Company shall, and the Founders shall ensure that the Company shall:

- 6.1. comply with all material Laws and the conditions applicable under any consents, permits, approvals and authorizations (whether statutory, regulatory, contractual or otherwise) applicable to them;
- 6.2. maintain and keep all Intellectual Property rights and proprietary information of the Company confidential and place appropriate controls to this effect;
- 6.3. ensure that the Company obtains and maintains all required consents and licenses that are required for its Business and adhere to the terms and conditions thereof;
- 6.4. pay all taxes and statutory dues in full to the relevant Governmental Authorities within the applicable due dates;
- 6.5. notify the Angel Investors of any material loss or damage suffered by the Company;
- 6.6. notify the Angel Investors immediately if any regulatory enquiry, investigation or proceeding is initiated against the Company and/or any Founders;
- 6.7. strengthen processes relating to financial reporting in a manner mutually agreed between the Parties;
- 6.8. notify the Angel Investors of any change in the Key Employees;

7. STAND-STILL

The Founders shall, from the Effective Date until the Closing Date cause the Company to carry on its business with reasonable diligence and business prudence and shall not;

- (i) materially alienate, transfer, charge, mortgage or otherwise deal with any of its assets (including assets owned and used or any part thereof) or Shares without the prior written consent of the Angel Investors.
- (ii) carry on its Business otherwise than in the ordinary course of business;

- (iii) modify, amend or terminate any material contract, agreement or arrangement to which the Company is a party or any employment agreement with a Founder or other key managerial person;
- (iv) do or permit anything which would constitute a breach of any of the representations and warranties of the Company and/or Founders, were they to be repeated at any time up to Closing by reference to the facts and circumstances then existing.
- (v) effect any material change in the Business of the Company.
- (vi) incur any additional indebtedness above INR ----- other than in the ordinary course of business of the Company without the consent of the Angel Investors.
- (vii) transact any business in relation to the Reserved Matters.
- (viii) Further, the Company shall, from the Effective Date till Closing Date, inform the Angel Investors of any Material Adverse Effect.

8. CONFIDENTIAL INFORMATION

8.1. The Parties recognize that each of them may be given and has access to confidential and proprietary information of the other Parties. The Parties undertake not to use any such confidential information, other than for purposes related to this Agreement and/or protecting their respective interests under this Agreement and/or in the Company without the prior written consent of the other Parties and shall use their best efforts to keep confidential and not disclose to any third party save and except on a 'need-to-know' basis any confidential information of the other Parties. The provisions of this Clause 8 shall not apply to confidential information which:

- a) is or becomes part of the public domain without breach of this Agreement by a Party;
- b) is lawfully in the possession of a Party and subject to an existing agreement between the Parties;
- c) is received from a third party who lawfully acquired such information without restriction, and without a breach of this Agreement by a Party,
- d) is released pursuant to a binding court order or governmental regulation, provided that the Party delivers a copy of such order or action to the Company and co-operates with the Company if it elects to contest such disclosure; and / or
- e) is disclosed by the Angel Investors to its respective Affiliates, partners and limited partners, and
- f) is disclosed by the Angel Investors to potential third party purchaser/ investors for the purposes of exit.

8.2. The provisions of this Clause 8 shall survive the termination of this Agreement.

9. INDEMNIFICATION

9.1. Without prejudice to any other right available to the Angel Investors in law or under equity, the Company ("**Indemnifying Party**") agrees to indemnify, defend and hold harmless the Angel Investors (and its officers, directors, employees, Affiliates, and advisors) ("**Indemnified Party**") from and against any and all Losses based upon, arising out of, or in relation to or otherwise in respect of :

- 9.1.1. Any misstatement, inaccuracy or any breach of, any Representations and Warranties, covenants, agreements or undertakings of the Company and/or the Founders contained in this Agreement, the Transaction Documents or in any document, deed or instrument executed by the Company and/or the in favour of the Indemnified Party in connection with, or pursuant to, this Agreement and/or the transactions contemplated hereunder;
- 9.1.2. any claim made by a third party with respect to the allotment of Shares of the Company to the Angel Investors;
- 9.1.3. any claim or liability arising out of, or relating to, the activities or operations of the Company,

prior to the Closing Date;

- 9.1.4. any Tax liability that may arise on the Company, prior to the Closing Date;
- 9.1.5. any claim or liability against the Company in relation to Intellectual Property Rights of a third party;
- 9.1.6. any loss on account of any unrecoverable receivables for which no provision has been created as on Execution Date;
- 9.1.7. any unrecorded amount payable (including minimum guarantee liability(ies)) for which no provision has been created as on Execution Date;
- 9.1.8. any late payments made to the vendors for which the vendors may charge late payment interest prior to Closing Date;
- 9.1.9. fraud, wilful misconduct or gross negligence of the Company and/or the Founders;
- 9.1.10. any penalties, interest or liabilities payable for non-compliance with any of the applicable Laws with respect of the activities undertaken prior to Closing Date;

9.2. Each Founder severally agrees to indemnify, save, defend and hold harmless the Indemnified Parties from and against any Losses incurred or suffered by the Indemnified Persons arising in relation to or by virtue of acts of fraud, wilful misconduct or gross negligence (with mala fide intention) of such Founder.

9.3. The liability of the Company and/or the Founders (as the case may be) in respect of any indemnity claim shall not arise unless and until such Loss incurred is in excess of INR 10,00,000 (Indian Rupees Ten Lakhs Only) ("**De-Minimis Threshold**").

9.4. The rights and remedies of the Indemnified Party under this Agreement shall not be affected by any act or omission which may otherwise have affected such rights and remedies, except by a specific written waiver by the Indemnified Party.

9.5. Any delay by the Indemnifying Party in making payment of the amount claimed to be indemnified by Indemnified Party shall entail interest at 18% (eighteen percent) per annum or to the maximum extent allowed under the applicable Law beginning from the date such claim was first notified to Indemnifying Party to the receipt of the payment of the same by the Indemnified Party;

9.6. For the avoidance of any doubt, it is expressly agreed that the Subscription Amount shall not be used by the Company and/or the Founder for the purpose of making any payment towards any indemnity claim under this Agreement.

9.7. The indemnification rights of the Indemnified Parties under this Agreement are independent of, and in addition to, such other rights and remedies they may have at applicable Law or in equity or otherwise, including the right to seek specific performance, recession or restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby. Further, the Indemnified Parties shall be intended third party beneficiaries of this Clause, and notwithstanding any other provisions of this Agreement, the Indemnified Parties shall be entitled to enforce the provisions thereof.

9.8. The Indemnified Party shall not make any Claim for Damages under this Clause 9 for any Claim for which it has already been expressly and fully compensated by the Indemnifying Parties or otherwise.

9.9. Any compensation or indemnity as referred to above shall be such as to place the Indemnified Parties or the

Company (as the case may be), in the same position as it would have been in had there not been any breach and as if the Warranty, covenant, agreement and/or condition (as the case may be) pursuant to which an Indemnified Party is to be indemnified had been accurate. To this end, any loss suffered by the Company as a result of a breach of any Warranty, covenant, agreement and/or condition (as the case may be) under this Agreement shall be deemed to be a Loss for the Indemnified Party.

9.10. Indemnification Procedure

- 9.10.1. If any Indemnified Party is entitled to indemnification hereunder, such Indemnified Party shall give notice to the Indemnifying Parties of the Loss (the “**Indemnity Notice**”) provided however that a claim may be brought in respect of a Loss, which if capable of being mitigated, has not been so mitigated by the Indemnifying Party within a period of 30 (thirty) calendar days of receipt of written notice of the same from the Indemnified Party.
- 9.10.2. Such Indemnity Notice shall be in writing and shall specify the matter which gives rise to the breach or Loss, the nature of the breach or Loss and the amount claimed in respect thereof (including the Investor's calculation, if calculation is possible, failing which the Angel Investors good faith estimate of the Loss thereby alleged to have been suffered by it).
- 9.10.3. It is clarified that the delivery of the Indemnity Notice shall not preclude the Indemnified Party from raising additional claims if after delivering the Indemnity Notice there is any increase in the extent of Losses than what was stated in the Indemnity Notice.
- 9.10.4. The Company or the Founders shall, as the case may be, within 7 (seven) days of receipt of the Indemnity Notice, reimburse to the Indemnified Party an amount of the Losses.

9.11. Third Party Claims

- 9.11.1. The Indemnified Party may notify the Indemnifying Parties in writing as soon as reasonably practicable after being informed that facts exist which may result in a claim originating from a third party against the Indemnified Party (“**Third Party Claim**”). Such notice shall specify the facts giving rise to the claim as understood by the Indemnified Party and specify the amount of the claim, if known.
- 9.11.2. The Indemnified Party shall have the right, but not the obligation, to contest, defend and litigate or settle, and to retain legal advisers of its choice in connection therewith, Third Party Claims alleged or asserted against the Indemnified Party arising out of any matter in respect of which it is entitled to be indemnified under this Clause and its reasonable costs and expenses, shall be subject to the indemnity. The Indemnifying Party shall not admit liability or make any agreement or compromise in relation to the Third Party Claim without prior written approval of the Indemnified Parties. The Indemnified Party may direct the Indemnifying Party to assume and control the defence of the Third Party Claims, and thereupon the Indemnifying Party shall be required to assume control of the Third Party Claims.
- 9.11.3. Subject to Clause 9.10.2 above, if the Indemnifying Party assumes such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claims at the expense of the Indemnifying Parties.
- 9.11.4. Further, the Indemnified Parties, without prejudice to any of their rights, shall take all reasonable steps and provide all reasonable assistance requested by the Founders and/or the Company to avoid or mitigate any losses that may or will be suffered by the Indemnified Parties which in the absence of such mitigation or assistance might give rise to losses or increase the quantum of Losses.

10. RIGHT OF RESCISSION

- 10.1. If prior to the Closing Date:

- 10.1.1. any breach of the Representations and Warranties comes to the notice of the Angel Investors;
or
- 10.1.2. the Company / the Founders is/are in breach of any obligation on their part under the Transaction Documents and, where that breach is not capable of remedy or it is not remedied within permitted time to the satisfaction of the Angel Investors; or
- 10.1.3. anything occurs which, had it occurred on or before the Effective Date, would have constituted a breach of the Representations and Warranties; or
- 10.1.4. there is any change or reconstitution of the Key Employees without the consent of the Angel Investors; or
- 10.1.5. anything occurs which has, or would be likely to have, after the Closing Date, a Material Adverse Effect or result in an Event of Default;

then, without prejudice to any other rights or remedies available to the Angel Investors, the Angel Investors shall have the right by giving notice to the Company to either (i) impose additional financial / operational performance parameters and covenants or (ii) without any liability to any Party or third party, elect not to complete its subscription to the Investment Amount, as the case may be.

11. FORCE MAJEURE

No Party shall be liable to the other Parties for delay or failure to perform its covenants and undertakings under this Agreement caused by an event or occurrence of Force Majeure. The Party whose performance is affected by an event of Force Majeure shall promptly notify the other Parties of the existence and cessation of such event. The Parties shall take all reasonable steps within their power to recommence performance of the Agreement following an event of Force Majeure.

12. TERMINATION AND BREACH OF CONTRACT

- 12.1. Unless otherwise provided in this Agreement, this Agreement shall become effective from the date of this Agreement and can be terminated prior to Long Stop Date, in accordance with Clause 3.6 above or prior to Closing Date by mutual agreement between the Parties.
- 12.2. If an Event of Default occurs on or before the Closing Date, the Angel Investors shall have the right to forthwith terminate this Agreement, by a notice in writing to all Parties and this Agreement shall immediately cease to have effect.
- 12.3. Any termination of this Agreement shall not affect or prejudice the rights and/or obligations of any Party which have accrued or been incurred prior to such termination and such termination shall be without prejudice to any claim or rights of action, including but not limited to the right to seek damages, previously accrued to any Party hereto against the other Party.

13. NOTICES

- 13.1. Any notice, request or instruction to be given hereunder by any Party to the other shall be in writing, in English language and delivered personally, or sent by registered mail postage prepaid, or courier, or electronic mail or facsimile (followed by a confirmation by mail), addressed to the concerned Party at the address set forth below or any other address subsequently notified to the other Parties:

If to the **Founder 1:**

Name:	
Address:	
Attention:	
E-mail ID:	
Contact:	

If to the **Founder 2:**

Name:	
Address:	
Attention:	
E-mail ID:	
Contact:	

If to the Company:

Name:	
Address:	
Attention:	
E-mail ID:	
Contact:	

If to the Angel Investors as per the details mentioned in [Schedule 1]

- 13.2. For the purposes of this Clause 13, a notice shall be deemed to be effective (i) in the case of a registered mail, 7 (seven) days after posting, (ii) in case of courier, 2 (two days) after dispatch by the Party, (iii) in case of a electronic mail, immediately upon successful transmission, and (iv) in case of personal delivery, at the time of delivery.

14. DISPUTE RESOLUTION AND GOVERNING LAW

- 14.1. Any disputes, differences, claims and questions between the Parties hereto arising out of this Agreement or in any way relating hereto or any term, condition or provision herein mentioned or the construction or interpretation thereof or otherwise in relation hereto ("**Dispute**") shall be resolved by amicable negotiations among executives of the Parties within 90 (ninety) days of written Notice of the existence of such Dispute and be referred for mediation/conciliation to an individual or institution comprising of an individual with appropriate qualification or repute and business understanding as the Angel Investors determines in good faith.
- 14.2. If the Dispute has not been settled pursuant to the Clause 14.1, such Dispute shall thereafter be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the Mumbai Centre for International Arbitration Rules ("**MCIA Rules**"), which rules are deemed to be incorporated by reference in this Clause. A sole arbitrator shall be appointed within 15 (fifteen) days. The Parties agree that in the event the Parties are unable to appoint a sole arbitrator within the specified timeline above, then any Party can approach the Mumbai Centre for International Arbitration under 'ad-hoc case' for appointment of a sole arbitrator and the said arbitrator shall be appointed by them within next 15 (fifteen) days.
- 14.3. All arbitration proceedings shall be conducted in the English language and the seat and venue of arbitration shall be [Mumbai]. The arbitrator shall make an award in writing within 180 (one hundred eighty) days of the appointment of

the arbitrator. The award of the arbitrator shall be final, conclusive and binding upon the Parties and non-appealable to the extent permitted by Applicable Law.

- 14.4. The Parties agree that the costs and expenses shall be as decided by the arbitrator in his award.
- 14.5. This Agreement and its performance as also the arbitration agreement incorporated herein shall be governed by and construed in all respects in accordance with the laws of India and the courts of [Mumbai] shall have exclusive jurisdiction.

15. GENERAL PROVISIONS

- 15.1. Entire Agreement: This Agreement (together with the schedules forming an integral part hereof) constitutes the entire understanding among the Parties with regard to the subject matters hereof and thereof which, for the avoidance of doubt, supersedes and replaces any existing shareholder agreements or similar agreement with the Company / its shareholders / Parties.
- 15.2. Waiver: None of the terms of this Agreement shall be deemed to have been waived or altered, unless such waiver or alteration is in writing and is signed by all the Parties. If any Party waive its rights accruing to it, such waiver shall not be construed as constituting waiver of breach or other provisions of this Agreement.
- 15.3. Severability: In the event that any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable Law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby and the Parties agree to renegotiate such provisions in good faith. In the event the Parties cannot renegotiate such provisions, then:
- (a) such provisions shall be excluded from the Agreement;
 - (b) the remainder of the Agreement shall be interpreted as if the provisions were so excluded; and
 - (c) the remainder of the Agreement shall be enforced in accordance with its terms.
- 15.4. Binding Effect: All covenants, agreements, representations, warranties and undertakings contained in this Agreement by and on behalf of any of the Parties hereto shall bind and inure to the benefit of the respective successors and assigns of the Parties hereto, whether so expressed or not. This Agreement shall inure to the benefit of and be binding upon the Parties, their successors-in-interest and permitted assigns, but shall not be assigned by any Party without the prior written consent of the other Parties.
- 15.5. Amendments: No amendment, modification or variation of this Agreement shall be binding on any Party unless, and to the extent that such amendment, modification or variation is recorded in a written document executed by such Party.
- 15.6. Sections: If any provisions of the Charter Documents (as amended from time to time) conflict with any of the provisions of this Agreement, the provisions of this Agreement shall prevail and the Parties shall, whenever necessary, exercise all voting and other rights and powers available to them to procure the amendment of the Charter Documents to the extent necessary to permit the Company and its affairs to be carried out as provided in this Agreement.
- 15.7. Survival after Termination: The termination of this Agreement shall be without prejudice to any claim or rights of action previously accrued to any Party hereto against other Party. The provisions of this Agreement which are meant to survive the termination hereof, including but not limited to Clause 1 (*Definitions and Interpretations*), Clause 5 (*Representations and Warranties*), Clause 6 (*Covenants of the Company and the Founders*), Clause 8 (*Confidentiality*), Clause 9 (*Indemnification*), Clause 13 (*Notice*) and Clause 14 (*Dispute Resolution and Governing Law*).

- 15.8. Relationship between the Parties: Nothing in this Agreement (or any of the arrangements contemplated by it) shall be deemed to constitute a partnership between the Parties, nor, except as may be expressly set out in it, constitute any Party as the agent of another Party for any purpose, or entitle any Party to commit or bind another Party in any manner.
- 15.9. Future Subsidiaries: If the Company at any time has any subsidiaries, the provisions of this Agreement shall, unless the Angel Investors specify otherwise in writing, shall apply *mutatis mutandis* to such subsidiaries.
- 13 Expenses: The Company shall bear all the stamp duty and other statutory charges and registration fees including all the costs and expenses, in relation to (i) this Agreement and (ii) the issue and allotment of Subscription Securities contemplated under this Agreement.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the date and the year first hereinabove written.

--[Signatures follow from the next page onwards.]

This signature page forms part of this Agreement.

For and on behalf of ----- **Private Limited**

Name:

Designation: **Director**

Name:

Founder 1

Name

Founder 2

This signature page forms part of this Agreement.

Name:

NDM Advisors LLP

This signature page forms part of this Agreement.

Name:

NDM Advisors LLP

DETAILS OF ANGEL INVESTORS

Sr. No.	Name of the Angel Investors	Information for Notices	Authorized Signatory
1.			
2.			

NDM Advisors LLP

SCHEDULE IA

Shareholding pattern as on Effective Date

SCHEDULE IB

SHAREHOLDING PATTERN OF THE COMPANY ON CLOSING DATE

SCHEDULE II

TERMS OF THE SUBSCRIPTION SECURITIES

1. **Form**

The Subscription Securities shall be Rupees denominated Seed Series A0 compulsorily convertible preference shares (“Seed Series A0 CCPS”) issued by the Company.

2. **Face value:**

Each Subscription Security shall have a par value of INR 10/- (Indian Rupees Ten only) /-.

3. **Voting**

Each holder of Subscription Security shall be entitled to receive notice of, and to attend, any Shareholders’ meeting and shall be entitled to vote together with holders of Equity Shares of the Company on an *as if converted* basis. Subscription Securities shall carry voting rights in proportion to the share capital that the Subscription Securities held by such Shareholder represents on a Fully Diluted Basis.

The Parties agree that since the Subscription Security would be compulsorily converted to Equity Shares in accordance with this Agreement, all matters which affect the rights of the holders of Equity Shares would affect the rights of the holders of the Subscription Security and hence each holder of the Subscription Security shall have the same rights as the rights of a holder of Equity Shares. A Subscription Security shall confer on the holder Relevant Rights, *pari passu*, with the Relevant Rights conferred on the holder of an Equity Share, and this shall be treated as a special right attached to the Subscription Security. In this paragraph “**Relevant Rights**” means the right to receive notice of, and to be present and to vote, either in person or by proxy, at any general meeting of the Company. Relevant Rights include, without limitation, the right for the holder of a Subscription Security to exercise vote at the general meeting of the Company *pari passu* with holders of Equity Shares of the Company on an *as if converted* basis.

4. Rank

A. As to Income

Each holder of Subscription Security shall be entitled to a dividend equal to 0.001% (zero point zero zero one percent) per annum of the face value or at such rate as would be receivable on an as if converted basis, whichever is higher, subject however to the maximum cap applicable under applicable Law, to be paid *pari passu* with any dividend being paid to the holders of other preference shares of the Company, but in preference to the holders of the Equity Shares. In any given Financial Year, the Company shall not declare any dividend or other distribution to its holders of Equity Shares unless it has first declared the preferential dividend for such Financial Year to the holders of Subscription Security.

If a preference dividend has been declared by the Company but has not been paid by the relevant conversion date for a Subscription Security, then the preference dividend on such Subscription Security shall be paid to the Person(s) who held the Subscription Security as at the date of declaration.

Upon conversion of the Subscription Security into Equity Shares, the holders of the Subscription Security shall be entitled to participate in the dividend on the Equity Shares, on a *pari passu* basis with the holders of all other Equity Shares.

Upon conversion of the Subscription Security into Equity Shares, the holders of the Subscription Security shall be entitled to participate in the dividend on the Equity Shares, on a *pari passu* basis with the holders of all other Equity Shares.

B. As to Capital

On a distribution of capital on a Liquidation Event (as defined in the SHA), the proceeds available for distribution shall be applied in the manner set out in Clause 15 (*Liquidation Preference*) of this Agreement.

5. Impairment

The Company will not, by amendment of its Charter Documents or through any reorganization, recapitalization, Transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Schedule 3 by the Company, but will at all times in good faith, assist in the carrying out of all the provisions of this Schedule 3 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of Subscription Securities against impairment.

6. No Fractional Shares and Certificate as to Adjustments

6.1. The resultant Equity Shares issued to a holder of Subscription Securities upon conversion of Subscription Securities in accordance with this Schedule 3 is hereinafter referred to as “**Conversion Shares**”.

6.2. No fractional Equity Shares shall be issued upon the conversion of any Subscription Securities, and the number of Equity Shares to be issued shall be rounded up to the next whole number.

7. Upon the occurrence of adjustment of the conversion formula of Subscription Securities pursuant to a share capital restructuring, the Company, at its expense, shall promptly compute such adjustment in accordance with the terms hereof and prepare and furnish to the holder of Subscription Securities, a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based. The Board shall, upon the written request at any time by the holder of the Subscription Securities, furnish or cause to be furnished to such holder a like certificate setting forth: (i) such adjustment and readjustment, (ii) the conversion of such Subscription Securities at the time in effect, and (iii) the number of Equity Shares that at the time would be received upon the conversion of Subscription Securities.

8. Reservation of Equity Shares issuable upon Conversion

The Company shall at all times reserve and keep available out of its authorized but unissued Equity Shares, solely for the purpose of effecting the conversion of Subscription Securities, such number of Equity Shares as shall from time to time be sufficient to effect the conversion of all outstanding Subscription Securities to such number of Equity Shares in the manner as set out herein; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect the conversion of all then outstanding Subscription Securities (taking into account the issuance of Equity Shares pursuant to any existing convertible security), the Company will take such corporate action as may be necessary to increase its authorized but unissued Equity Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite Shareholder approval of any necessary amendment to the Company's Memorandum of Association.

9. Term and Conversion:

Each Subscription Security shall convert into 1 Equity Share of the Company subject to revision to give effect to the working under Clause 10 (*Anti-Dilution*) and/or Clause 15 (*Liquidation Preference*) of this Agreement. The Subscription Security shall be convertible into Equity Shares at the option of the holder of the Subscription Security or 1 (one) day prior to expiry of 20 (twenty) years from the Closing Date, whichever is earlier.

10. Conversion Notice and Procedure:

- (a) Upon the holder of Subscription Security electing to exercise its conversion rights in accordance with Clause 9 above and/or upon occurrence of any of the aforesaid events in Clause 9 (each event under Clause 9 being referred to as a “**Conversion Event**”), the Subscription Security holder shall exercise its option to cause the Company to convert the Subscription Security by delivering a written notice (“**Conversion Notice**”) to the Company, which shall inter alia set out setting out the date of conversion (“**Conversion Date**”), the number of Equity Shares and the percentage of equity shareholding to be issued upon conversion and other relevant particulars.
- (b) On the Conversion Date the following events shall occur simultaneously:
 - (i) A meeting of the Board shall be convened at which the following shall be resolved:
 - 1. The conversion of such number of Subscription Security; and
 - 2. The issuance and allotment of such number of Equity Shares as are mentioned in the Conversion Notice;
 - (ii) Cancellation of the share certificates representing such number of Subscription Security as are stated in the Conversion Notice.
 - (iii) The Company shall issue shares certificates evidencing the Conversion Shares to the holder of Subscription Security.
 - (iv) The name of the holder of Subscription Security shall be entered into the register of members of the Company as the legal and beneficial owner of the aforesaid Equity Shares issued upon conversion of Subscription Security.
 - (v) The Company shall, after the allotment of Equity Shares, make submission to and file documents as required by applicable Law.

- (vi) The Equity Shares issued upon such conversion shall rank *pari passu* with the existing Equity Shares.
- (vii) All costs and expenses of the said exercise of conversion, other than direct taxes, shall be to the account of the Company.

11. Anti-dilution Adjustments

- (a) The Company and the Founders further agree that any new issuance of Shares by the Company shall be made at a price per Share which is not less than price paid per Subscription Security on a Fully Diluted Basis. In the event that any new issuance is undertaken by the Company at a price per Share which is lesser than the price per Subscription Security, then the Company shall issue such number of fresh Shares to the holders of Subscription Securities, without payment of any consideration by the holders of Subscription Securities, as are calculated in terms of the formula set out below:

$$\text{New Conversion Price} = \text{Price paid per Subscription Security} \times \frac{(\text{Total Equity Shares} + \text{Equity Shares Purchasable})}{(\text{Total Equity Shares} + \text{Equity Shares Purchased})}$$

where,

“**Total Equity Shares**” is the total number of Shares of the Company, calculated on a Fully Diluted Basis, on the assumption that all Shares have converted into Equity Shares;

“**Equity Shares Purchasable**” means the number of Equity Shares which would have been purchased, had Equity Shares been issued at the price per Subscription Security for the entire consideration of the proposed issuance; and

“**Equity Shares Purchased**” means the Shares issued for the entire consideration of the proposed issuance calculated on a Fully Diluted Basis, on the assumption that all Shares have converted into Equity Shares.

- (b) It is clarified that in the event that the Angel Investors are issued any Shares pursuant to the provisions of Clause 11(a) above, such Shares shall be included towards calculation of the Shares to be issued to the Angel Investor pursuant to any new issuance as required by Clause 10 (*Anti-Dilution*) of the SHA. In the event that applicable Laws require that the Shares shall be issued to the Angel Investors at the face value of such Shares or at any other minimum price, then the Angel Investors shall pay such price to the Company, provided, however, that if the Angel Investors opt to be issued any Shares pursuant to the provisions of Clause 10 (*Anti-Dilution*) of the SHA which are in addition to Shares contemplated in Clause 11(a) above, then the price which would be payable by the Angel Investors in relation to the Shares to be issued to it under Clause 10 (*Anti-Dilution*) of the SHA shall, to the maximum extent possible, be reduced by the price payable to the Company by the Angel Investors pursuant to Clause 11(a) above and this Clause 11(b). In the event that for any reason, it is not possible for the Parties to ensure that the intent of Clause 11(a) above and this Clause 11(b) is achieved in the manner prescribed above, then the Parties shall undertake such other alternative mechanism so as to ensure that the intent of Clause 11(a) and this Clause 11(b) is achieved.
- (c) If, whilst any Subscription Securities remain capable of being converted into Equity Shares of the Company, the Company splits, sub-divides (stock split) or consolidates (reverse stock split) the Equity Shares into a different number of securities of the same class, the number of Equity Shares issuable upon a conversion of the Subscription Securities, shall be proportionately increased in the case of a split or sub-division (stock split), and likewise, the number of Equity Shares issuable upon a conversion of the Subscription Securities (as the case may be) shall be proportionately decreased in the case of a consolidation (reverse stock split).
- (d) If the Company, by re-classification or conversion of Shares or otherwise, changes any of the Equity Shares into the same or a different number of Shares of any other class or classes, the right to convert the Subscription Securities into Equity Shares shall thereafter represent the right to acquire such number and kind of Shares as would have been issuable as the result of such change with respect to the Equity Shares that were subject to the conversion rights of the holder of Investors Subscription Securities, as applicable, immediately prior to the

record date of such re-classification or conversion, subject to further adjustment as provided in this Clause 11.

- (e) If, whilst any Subscription Securities remain capable of being converted into Equity Shares, the Company makes or issues a dividend or other distribution of Equity Shares to the holders of Equity Shares, the number of Equity Shares to be issued on any subsequent conversion of Subscription Securities, as applicable, shall be increased proportionately and without payment of additional consideration subject to any further adjustment as provided in this Clause 11.
- (f) If, whilst any of the Subscription Securities remain capable of being converted into Equity Shares, there is a:
 - (i) a reorganisation (other than a consolidation, exchange or sub-division of shares or re-classification of shares as provided for under Clauses 11(e), 11(f) or 11(g) respectively); (ii) a merger or consolidation of the Company with or into another company in which the Company is not the surviving entity, or a reverse triangular merger, or similar transaction, in which the Company is the surviving entity but the shares of the Company immediately prior to the merger are converted into other property, whether in the form of securities, cash, or otherwise, which results in change of Control, or (iii) a sale or transfer of all or substantially all of the Company's assets to any other person, then, as a part of such change of Control, the right to convert the Subscription Securities, as applicable, into Equity Shares shall cease and shall automatically represent the right to receive the number of shares or other securities or property offered to the Company's holders of Equity Shares in connection with such change of Control that a holder of Subscription Securities would have been entitled to receive in such change of Control if the right to convert Subscription Securities into Equity Shares had been exercised in full immediately before such change in Control, subject to further adjustment as provided in this Clause 11.
- (g) If any Equity Shares are bought back or cancelled or otherwise cease to exist, then, the holder of Subscription Securities, upon the conversion of Subscription Securities at any time after the record date on which the Equity Shares cease to exist shall receive, in lieu of the number of Equity Shares that would have been issuable upon such conversion immediately prior to the date of termination of Equity Shares, the securities or property that would have been received if the right to convert the Subscription Securities into Equity Shares had been exercised in full immediately before the date of termination of the Equity Shares, all subject to further adjustment as provided in this Clause 11.

12. Amendments

Subject to the Act, the rights, privileges and conditions attached to a Subscription Security may not be varied, modified or abrogated in any manner whatsoever without the prior written consent of all of the holders of the Subscription Security.

SCHEDULE III

REPRESENTATIONS AND WARRANTIES

Representation and Warranties of the Company and the Founders:

1. **Accuracy of Information:**

- (a) All the information which has been given by or on behalf of the Company and the Founders to the Angel Investors (or to any director, trustee, representative, agent or adviser of the Angel Investors) with respect to the Company is true and accurate in all respects and the Company and the Founders are not aware of any circumstances which could adversely affect what is set forth herein.
- (b) All information which is known to the Company and the Founders relating to the Company or otherwise to the subject matter of the Transaction Documents which is material for the Angel Investors.
- (c) The Company and the Founders are not aware of any facts or circumstances relating to the affairs of the Company or which have not been disclosed to the Angel Investors, which if disclosed, might reasonably have been expected to influence the decision of the Investors to subscribe to the Subscription Securities on the terms contained in this Agreement.

2. **Binding Agreement**

The Company has the full legal right, power, authority and capacity to execute, deliver, and fully perform the Company's obligations under the Transaction Documents, this Agreement and any documents contemplated hereby to which the Company is a party, according to their respective terms. The execution and delivery of the Transaction Documents, this Agreement and any documents contemplated hereby to which the Company is a party and the consummation of the transactions contemplated hereby, and thereby, have been duly authorized by all necessary corporate action on the part of the Company. This Agreement and any documents contemplated hereby to which the Company is a party have been duly executed and delivered by the Company and constitute the legal, valid and binding agreement of the Company enforceable against the Company in accordance with their terms, except to the extent that: (a) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to creditor's rights generally, and (b) the remedy of specific performance or injunctive and other forms of equitable relief may be subject to equitable defences and to the discretion of the court before which any Proceeding therefore may be brought.

3. **Good Title Conveyed**

Upon consummation of the transactions contemplated by this Agreement, the Angel Investors will acquire good, valid, and marketable title to all of Subscription Securities, free and clear of all Encumbrances and the Company will have good right, full power and absolute authority to issue the Subscription Securities to the Angel Investors free from any Encumbrances, claim or demand of any nature and the Company has not done, committed or omitted any act, deed, matter or thing whereby the Subscription Securities can be forfeited, extinguished or rendered void or voidable.

4. **Bankruptcy**

No Bankruptcy Matter of any character affecting the Company is pending or to the Company and Founders' knowledge threatened, and the Company has not made any assignment for the benefit of creditors or taken any action in contemplation of, or which would constitute the basis for any Bankruptcy Matter.

5. **Non-Contravention**

The execution, delivery and performance by the Company of the Transaction Documents, this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both), and, the consummation by the Company of the transactions contemplated hereby or thereby do not: (a) require the consent of any third party, or where required, such consent has been provided by such third party or will be sought before the Closing Date as part of the Conditions Precedent for the purpose of completion of the transaction; (b) conflict with, result in a breach of, or constitute a default under, any applicable Law, attributable to the Company; (c) violate any agreement, contract, indenture, instrument, note, mortgage, lease, license, franchise, permit or other authorization, right, restriction or obligation to which the Company is a party or by which the Company may be bound; (d) violate any order, injunction, judgment or degree of any Governmental Authority by which the Company may be bound; (e) constitute an act of bankruptcy, insolvency or fraudulent conveyance under any applicable Law for the protection of debtors or creditors; (f) conflict with or result in any breach or violation of the terms, conditions or provisions of the Charter Documents of the Company.

6. Third Party Consents

No consent, approval, authorization, order, filing, registration, declaration or qualification of or with any Governmental Authority is required to be obtained by the Company in connection with the execution and delivery by the Company of this Agreement or consummation by the Company of the transactions contemplated hereby. For the avoidance of doubt, it is hereby clarified that this warranty shall not include any statutory filings required to be made for the purpose of the issuance and allotment of the Subscription Securities and all precedent and antecedent actions in relation thereto.

7. No Other Agreements

Other than as may be provided for in the Transaction Documents and this Agreement, the Company does not have any obligation, absolute or contingent, to any other Person to issue any Shares.

8. Organization, Standing and Power

The Company is a private limited company, duly organized, validly existing and in good standing under the Laws of India. The Company has all requisite power and authority to own or lease and operate its properties and to carry on its Business as now being conducted. The Company is duly qualified to do business and has all material approvals and authorizations to carry on its existing Business and is in good standing under the Laws of India. The Company has delivered to the Angel Investors a true and correct copy of its Charter Documents, each as amended up to the Effective Date. The Company is not in violation of any of the provisions of its Charter Documents and the Business of the Company is carried in compliance with the Charter Documents.

9. Subsidiaries and other Investments

- (a) The Company does not directly or indirectly own any Share or similar interest in, or any interest convertible or exchangeable or exercisable for, any shares or similar interest in, any company, partnership, joint venture or other business association or entity.

10. Share Capital

- (a) There are no disputes in relation to the shareholding of the Company.

The authorised Share Capital of the Company is INR Each Subscription Security shall have a par value of INR 10/- (Indian Rupees Ten only) /-.

11. The Company has not bought back, repaid or redeemed or agreed to buy back, repay or redeem any of its own Equity Shares or otherwise reduced or agreed to reduce its share capital or purchased any of its own equity Share or carried out any transaction having the effect of a share buy-back or reduction of capital.
12. There are no Encumbrances, outstanding options, warrants, rights (including conversion or pre-emption rights)

or agreements for the subscription or purchase from the Company of any Equity Shares in their capital stock or any Share convertible into or ultimately exchangeable or exercisable for any capital stock, including voting agreements. The Subscription Securities are not and will not be subject to any pre-emptive rights, rights of first refusal or other rights pursuant to any existing agreement or commitments.

13. Other than as may be provided for in the Transaction Documents and this Agreement, there are no voting or similar agreements exist in relation to any of the Shares or any other Shares issued by the Company.

14. Corporate Matters

- (a) The statutory registers and books, including the minute books and register of members/share register, as applicable, of the Company have been properly and accurately maintained in all respects and contain full and accurate records of the existing shareholders (whether legal or beneficial owners) of the Company, of all resolutions passed by the Directors and the shareholders of the Company and all issuances and transfers of equity Shares thereof. All such documents are in the possession or under the control of the Company.
- (b) No dividend has been declared by the Company, which has remained unpaid to their respective shareholders.
- (c) There are no subsisting powers of attorney given by the Company to any Person other than in the Ordinary Course of Business.
- (d) The Company fulfils the criteria for a 'startup' as specified by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, vide notification no. G.S.R. 127(E) dated February 19, 2019 and/or such other policy of the Central Government issued in this regard from time to time.

15. Accounts and Records

- (a) The books of Accounts of the Company have been maintained in accordance with applicable Laws and as per the accounting principles presently being adopted or utilised by the Company. As per the audit report, the Accounts give a true and fair view of the Business (including the Assets, liabilities and state of affairs) of the Company.
- (b) There are no liabilities of the Company (contingent or otherwise), other than those disclosed in the relevant Accounts. The Company has not increased any of its liabilities including off-balance sheet items including but not limited to those on account of leases or hire-purchases, or working capital limits and nor has it since Accounts Date sold or transferred or created an Encumbrance on any of its Assets, other than (i) as disclosed in the Accounts, or (ii) in the Ordinary Course of Business.

16. Borrowings

- (a) There are no borrowings (including any outstanding obligations for the payment or repayment of money), actual or contingent.
- (b) No event or circumstance has occurred or is likely to occur until the Closing which would or could lead to an event of default under the financing or security or similar documents and/or may lead to all or any of the Borrowing of the Company becoming immediately due and payable or capable of being declared due and payable, before its normal or originally stated maturity and/or which may terminate, cancel or render incapable of exercise any entitlement to draw money or otherwise exercise the rights of the Company under an agreement relating to the Borrowing.
- (c) No demand or other notice requiring the payment or repayment of money (presently outstanding) before its normal or originally stated maturity has been received by the Company under any financing and/or security documents.

17. Taxation Matters

- (a) To the best of the knowledge of the Company and the Founders all returns, computations, notices, deductions, withholdings and information which are or have been required to be made or given by the Company for any taxation purposes have been made on a proper and timely basis and are correct and none of them are the subject of any dispute with the taxation authorities and all Taxes have been deducted and filings with respect to the same have been done and completed in accordance with Law. There are no liabilities of Taxes in respect of which a claim or notice has been made against the Company.
- (b) All Taxes have been deducted and filings with respect to the same have been done and completed as per the terms of applicable Law. The Company has properly made such deductions from all payments made or deemed to be or treated as made by it or on its behalf and made such advance payments as are required by applicable Law, and has duly accounted to the income-tax authorities for all sums so deducted and for all other amounts for which it is required to account.
- (c) There are no Proceedings (i) in respect of any Tax demands or Tax claims which have been initiated or (ii) in relation to the Company seeking to place any Encumbrance or attachment upon its Assets.

18. Legal Matters

- (a) The Company and the Founders, the Company is in compliance with all applicable Law and its Business and operations have been carried on in accordance with their Charter Documents and material requirements of all applicable Law.
- (b) The Company has obtained and /or made necessary application for all material licenses, permits, approvals including registrations under all central and state Tax legislations, necessary for the conduct of its Business as currently conducted and such licenses and approvals are valid and existing as of the date of this Agreement, except where the application process has been duly initiated.
- (c) Other than the licenses and approval procured by the Company, the Company is not required to procure any other licenses and approvals for the conduct of its Business.
- (d) The Company is not in breach of or in default under any licenses nor is it aware of any event or circumstance or any intention or proposal under which any of those licences, permits, approvals are likely to be revoked, terminated or cancelled or (where applicable) not renewed in the ordinary course.
- (e) No claim for damages or compensation has been made by any Person against the Company.

19. Trading and Contractual Arrangements

- (a) There are no outstanding guarantees, indemnities, sureties or comfort letters or obligations (whether or not legally binding) given by or for the benefit of the Company other than in the ordinary course of business.
- (b) All contracts have been entered into by the Company in the Ordinary Course of Business and at arm's length.
- (c) Other than the Transaction Documents, there are no existing agreements or understandings which the Company is a party to or is bound by, which (i) grants management, operational or voting rights in the Company to any Person; (ii) is a non-competition contract restricting in any way the Business; (iii) provides for the sharing of the revenue of the Company with any third party; (iv) any Person is permitted to use assets of the Company, other than in the Ordinary Course of Business.
- (d) The Company is not and none of the counterparties to any of the contracts are in default of the performance, observance or fulfilment of any of their respective obligations, covenants or conditions contained in contracts. No counterparty has given any notice to terminate any such contract prior to the expiration of its term or has raised a claim under such contracts.
- (e) All respective contracts have been duly authorised, executed and delivered by the Company and to the

Company's knowledge constitutes a valid and binding obligation of each party thereto, enforceable against each party thereto in accordance with its terms.

- (f) The Company is not a party to any contract, arrangement or understanding, with any of their respective current or former employees, current or former directors or any current or former consultants, or in which any such person as aforesaid is interested (whether directly or indirectly) which contracts do not relate to employment with the Company, nor are any such contracts, arrangements or understanding outstanding or in force.

20. Related Party Transactions

- (a) The Company has not entered into any contract, arrangements, agreements or transactions with any of the Related Parties.
- (b) There are no subsisting contracts or arrangements entered into by the Company which contravene Section 188 of the Companies Act, 2013.
- (c) There are no transactions with the Related Parties of the Company pursuant to which the Company owns, or has agreed to acquire or dispose, any Asset, or is receiving or has agreed to receive or provide any services or facilities (including, without limitation, the benefit of any license or agreements), the consideration for the acquisition or provision of which was or will be in excess of its market value, or otherwise than on an arm's length basis.
- (d) No corporate guarantees have been issued by the Company for the benefit of any of its Related Parties and there are no reimbursement arrangements/agreements between the Company and any of the related parties in relation to corporate guarantees issued by such related parties for the benefit of the Company or otherwise.

21. Employees; directors etc.

- (a) The Company has not entered into any contracts with its directors, or Relatives of directors or private companies in which any director is a shareholder or director or any partnership firm in which a director is a partner.
- (b) At least 1 (one) director on the Board of the Company has stayed in India for a total period of not less than 182 (one hundred and eighty-two) days in the previous calendar year.
- (c) The Company has made all deductions and withholdings in respect, or on account, of all statutory contributions including gratuity deductions and provident fund contributions, and has accounted in full to the appropriate authorities for all amounts so deducted.
- (d) The Company has, in relation to each of its employees (and so far as relevant to each of its former employees), complied with all material statutes, regulations, codes of conduct, terms and conditions of employment, orders and awards relevant to their terms and conditions of service or to the relations between the Company and its employees.
- (e) The Company does not have any collective bargaining arrangement with any trade union representing the employees of the Company.
- (f) The Company has not received any claim, notice, demand from any employee or Government Authority on account of breach of any of the applicable Laws.

22. Assets

- (a) The Company owns or has the legal right to use all its Assets required for the conduct of its Business as currently conducted. The Company is in compliance with all leases, licenses, or other documents governing the right of the Company to use or occupy any of its Assets.

- (b) The Assets of the Company have been properly maintained and are in a normal operating condition consistent with industry standards.
- (c) The Company has not given any rights to any third parties with respect to any of the Assets owned by it, nor has it entered into any agreement or other arrangement to sell any of its Assets other than in the Ordinary Course of Business.
- (d) The Company' Assets are adequately insured, the Company has obtained all material insurance policies that it is required to obtain under any contracts or agreements with third persons as well as under applicable Law, and the Company is in compliance with all its obligations under such insurance policies and such insurance policies are in full force and effect.

23. Governmental Permits

- (a) The Company possesses all licenses, franchises, permits, privileges, immunities, approvals and other authorizations necessary to entitle it to own or lease, operate and use its Assets and to carry on and conduct its Business as currently conducted (collectively "**Governmental Permits**").
- (b) The Company has performed all obligations under each Governmental Permit, including payment of fees. No event has occurred or condition or state of facts exists which constitutes or after notice or lapse of time or both, would constitute a breach or default under, or which would allow revocation or termination of any Governmental Permit.
- (c) The Company has not received notice of cancellation, default or any dispute concerning any Governmental Permit. No filing, approval or consent of any governmental body, is required before the Closing Date to assure the continued validity of the Governmental Permits after the Closing Date.

24. Capital commitments, unusual contracts, guarantees

The Company:

- (a) has not entered into any contracts or commitments which can create or is likely to create any obligations or liabilities, or in terms of which the Company is or will be bound to pay any royalties or waive or abandon any rights, otherwise than in the Ordinary Course of Business;
- (b) has entered into all contracts in writing and all contracts are in full force and enforceable in accordance with their terms and have been duly stamped and registered and consents have been obtained from the Board, shareholders and from appropriate authorities as required by Law;
- (c) has not given or made any outstanding offer, tender, quotation or the like which is capable of giving rise to a contract merely by unilateral act of a third party or on terms calculated to yield a gross profit margin inconsistent with that usually obtained by the Company other than in the Ordinary Course of Business;
- (d) are in compliance with all the terms and conditions of all agreements executed by the Company and has not received any notice of default from any of its counter parties of such agreements;
- (e) has not by reason of any default by it in any of its obligations become bound or liable to be called upon to repay prematurely any loan capital or borrowed moneys;
- (f) has not entered into nor is it bound by any guarantee or indemnity under which any liability or contingent liability is outstanding;
- (g) will not at any time prior to the Closing Date sell or otherwise dispose, other than in Ordinary Course of Business, of any shares or Assets in circumstances such that it is, or may be, still subject to any liability, whether contingent or otherwise, under any representation, warranty or indemnity given or agreed to be given on or in

connection with such sale or disposal.

25. Litigation

- (a) There are no actions, suits, claims, Proceedings or investigations pending, and to the Company and Founders' knowledge threatened against and/or by the Company at applicable Law, in equity, or otherwise, whether civil or criminal in nature in, before, or by, any court, commission, arbitrator or Governmental Authority, and there are no outstanding judgments, decrees or orders of any such court, commission, arbitrator or Governmental Authority.
- (b) The Company has not committed:
 - (i) any criminal or unlawful act involving dishonesty; or
 - (ii) any material breach of contract or to its knowledge, (A) any material breach of any statutory duty or (B) any material tortious act,

which could entitle any third party to terminate any material contract to which the Company is a party.

26. Intellectual Property

- (a) The Company is the absolute owner, valid licensee, or authorized user (as the case may be) of all its Intellectual Properties.
- (b) The use of the Intellectual Properties as is being used by the Company does not and will not infringe and/or breach or affect the Intellectual Property rights of any Person.
- (c) All rights in all Intellectual Properties, confidential business information and trademarks owned or otherwise required for the Business as currently conducted are vested in or validly granted to the Company and are not subject to any limit as to time or restriction and all renewal fees and steps required for their maintenance or protection have been paid and taken.
- (d) There are no legal proceedings including any litigation, arbitration, infringement and/or passing off actions filed against the Company and to the best of the knowledge of the Founder and/or the Company, no litigation, arbitration, infringement and/or passing off actions is proposed and/or to the Company and Founders' knowledge threatened to be filed against the Company by any Person and the Company has not received any cease and desist notice so far and is not aware of any circumstance under which such a notice may be issued.
- (e) The Company is not in breach of any trademark or Intellectual Property rights of any third parties with the respect to the domain name registrations held by the Company.
- (f) To the extent the Company uses any "open source" or "copyright" software or is a party to "open" or "public source" or similar licenses, or makes use of "freeware", the Company is in compliance with the terms of any such licenses.

27. Property

- (a) The Company has marketable title to all of its real and personal property, and each lease to which it is a party is valid and enforceable against the other parties thereto and no default exists under any thereof. The Company does not own or lease any other immovable property, and the Company is in compliance with the terms of its lease agreements and no claim has been raised against the Company under the lease agreement.
- (b) The said real properties are the absolute property of the Company and clear of all title defects or any Encumbrances.
- (c) All the agreements, deeds and documents under which the Company has acquired the ownership, leasehold or

any other rights in relation to the properties are valid, in force, duly stamped and registered in accordance with the applicable Laws.

28. Environmental Matters

- (a) The Company has all permits, licenses, approvals, consents and other authorizations that are required under applicable law relating to environment protection, pollution or protection of public or society (the “**Environmental Laws**”).
- (b) The Company is in compliance with all the terms and conditions of the required permits, licenses, approvals, and authorizations, and with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables contained in the Environmental Laws or contained in any regulation, license, rule, code, plan, order, decree, judgement, injunction, notice or demand letter issued, entered, promulgated, or approved thereunder with respect to the Business of the Company.
- (c) There is no civil, criminal, or administrative action, suit, demand, claim, hearing, notice or demand letter, notice of violation, investigation, or proceeding that is pending or to the knowledge of the Company and the Founders threatened, against the Company under Environmental Laws relating in any way to the business or any regulation, license, rule, code, plan, order, decree, judgement, injunction, notice, or demand letter issued, entered, promulgated or approved thereunder;

All representations, warranties, information, documents or statements relating to the Company or the Founders in this **Schedule** are true, accurate, complete and correct in all respects. The representations and warranties set forth in this **Schedule** do not contain any untrue statement of a fact or omit to state any fact necessary in order to make the statements and information contained in this **Schedule** not misleading.

SCHEDULE IV

Concise Business Plan

[to be inserted by the Company]

NDM Advisors LLP

SCHEDULE V

CP SATISFACTION LETTER

(to be issued on Closing Date)

[on the letterhead of the Company]

To,

1. [Details of Angel Investors]

Ref: Share Subscription Agreement dated [●]

Dear Sir,

We write with reference to the Share Subscription Agreement dated [●], *inter alia* entered into between yourself and us (the “**Agreement**”). This certificate is being issued pursuant to Clause 3.2 of the Agreement.

We certify as follows:

- 11.1.1. The Conditions Precedent specified in Clause 3 of the Agreement have been satisfied;
- 11.1.2. Documentary proof (as applicable) to the effect that the Conditions Precedent have been satisfied, are enclosed herein;
- 11.1.3. The Representations and Warranties are true and valid, when made and on and as of the Closing Date with the same force and effect as though they are made at such time;
- 11.1.4. We have performed and complied with all of our agreements, obligations and conditions contained in the Transaction Documents;
- 11.1.5. All Shareholders of the Company having any pre-emptive, first refusal, participation or other rights with respect to the issuance of the Subscription Securities have irrevocably waived the same with respect to such issuance pursuant to this Agreement. All Shareholders of the Company have confirmed that they have no existing claim and/or dispute against the Company and/or the Founders;
- 11.1.6. The Company confirms that, there has not been any proceeding, order, injunction, or other action issued, pending or threatened, which (i) involves a challenge to or seeks to or which prohibits, prevents, restrains, restricts, delays, makes illegal or otherwise interferes with the consummation of any of the transactions contemplated under any of the Transaction Documents, or (ii) seeks to impose conditions upon the ownership or operations of the Company or which affects the ability of the Investors to subscribe to the Subscription Securities and the Company to issue and allot the Subscription Securities, and no applicable law shall have been proposed, promulgated, adopted, enacted or entered or otherwise made effective by any Governmental Authority that has or would have such effect;
- 11.1.7. No Event of Default has occurred; and
- 11.1.8. No Material Adverse Effect has occurred.

Capitalized terms and expressions used in this letter but not defined herein shall have the same meaning as assigned to such terms in the Agreement.

For and on behalf of the Company

Director

Founders

NDM Advisors LLP

[Signature Pages to follow]

NDM Advisors LLP