

महाराष्ट्र शासन
GOVERNMENT OF MAHARASHTRA
ई-सुरक्षित बँक व कोषागार पावती
e-SECURED BANK & TREASURY RECEIPT (e-SBTR)

16230123272730



Bank/Branch :	SBI / 00567-SAKI NAKA	Stationery No :	XXXXXXXXXX2730
Pmt Txn id :	IGARLZOLB2	Print DtTime :	04-07-2024@02:26:51
Pmt DtTime :	01-07-2024@12:51:10	Office Name :	IGR182-BOM1_MUMBAI CITY 1 SUB REGISTRAR
District :	7101/MUMBAI	GRAS GRN :	MH004523756202425S
ChallanIdNo :	02005672024070178903	GRN Date :	01-07-2024@12:51:10
StDuty Schm :	0030045501		
StDuty Amt :	Rs 1100/- (Rs One, One Zero Zero Only)		
RgnFee Schm :			
RgnFee Amt :			
Article :	5(h) (B) (VI) / AGGREEMENT IF NOT OTHERWISE PROVIDED FOR		
Prop Mvblty :	Not Applicable	Consideration :	Rs 100/-
Prop Descr :	Share Holders Agreement, 400072		
Duty Payer :	PAN-AABCK1851B, KELVIN AIR CONDITIONING AND VENTILATION SYSTEMS PVT LTD		
Other Party :	PAN-AACCF5886A, FABTECH TECHNOLOGIES CLEANROOMS PVT LTD		

Bank official-1 Name & Signature

J. Perkar

Bank official-2 Name & Signature

SP343

<https://sbi00567svr.bsc/Modules/STGT/MAHARASHTRA/frmEsbtrRePrint.aspx>

04-07-2024

SHAREHOLDERS' AGREEMENT

BY AND AMONGST

KELVIN AIR CONDITIONING AND VENTILATION SYSTEMS PRIVATE LIMITED
(Company)

AND

FABTECH TECHNOLOGIES CLEANROOMS LIMITED

(Investor)

AND

THE PERSONS LISTED IN PART A SCHEDULE 1

(Promoters)

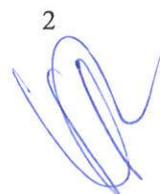


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SHAREHOLDERS' AGREEMENT

This shareholders agreement (“**Agreement**”) is executed on 10 July 2024 (“**Execution Date**”) at Mumbai India:

By and amongst:

- (1) **Kelvin Air Conditioning And Ventilation Systems Private Limited**, a private limited company duly incorporated under the Companies Act 2013, having corporate identification number U74999MH2007PTC174783 and having its registered office at K-204, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri East, Mumbai City, Maharashtra, India, 400072 (hereinafter referred to as the “**Company**”, which expression shall, unless is repugnant to the context or meaning thereof, be deemed to mean and include its successors, Affiliates, and permitted assigns);

AND

- (2) **Fabtech Technologies Cleanrooms Limited**, a company duly incorporated under the Companies Act, 2013, having corporate identification number U74999MH2015PLC265137 and having its registered office at 615, Janki Center Off. Veera Desai Road, Andheri West, Mumbai City, Maharashtra, India, 400053 (hereinafter referred to as the “**Investor**”, which expression shall, unless is repugnant to the context or meaning thereof, be deemed to mean and include its successors, Affiliates, and permitted assigns);

AND

- (3) The Persons whose names and brief particulars are set out in Part A(a) Schedule 1 (*Details of the Promoters*) (hereinafter collectively referred to as the “**Promoters**” and individually as a “**Promoter**”, which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include their respective heirs, successors, executors, administrators and permitted assigns).

The Company, Promoters, and the Investor shall hereinafter be collectively referred to as the “**Parties**” and individually as a “**Party**”, wherever the context so permits.

Recitals:

- A. The Company is a private company limited by shares, engaged in the Business (*as defined hereinafter*).
- B. The Promoters are the shareholders of the Company who legally and beneficially own 10,000 (Ten Thousand) Equity Shares (*as defined hereinafter*) representing the entire issued, subscribed and paid-up equity share capital of the Company on a Fully Diluted Basis (*as defined hereinafter*).
- C. Now, the Company is desirous of raising funds and the Investor is desirous of investing in the Company consequent to which, simultaneously with the execution of this Agreement on the Execution Date, the Parties are entering into the Share Subscription Agreement (*as defined hereinafter*) in accordance with which the Investor has agreed to subscribe to the Subscription Shares (*as defined hereinafter*), for such consideration amount as provided in the Share Subscription Agreement and in accordance with the terms and conditions of the Share Subscription Agreement.

- D. The Parties are entering into this Agreement to record and state their respective inter se rights and obligations in relation to the Company, which shall supersede, override and nullify in entirety any and all prior arrangement(s) or shareholder agreements or share subscription agreements or share purchase agreements (whether written or oral) relating to the Shares of the Company.

NOW, THEREFORE IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS SET FORTH HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION.

- 1.1. **Defined Terms.** As used in this Agreement, the terms and expressions when used with the first letter capitalized as set out in Part A of Schedule 2 (*Definitions*) shall, unless the context otherwise requires, have the meanings assigned to them in the said Schedule. Terms not defined here but used with their first letter capitalized will have the meaning assigned to them in the other Transaction Documents.
- 1.2. **Interpretation.** The rules of interpretation set out in Schedule 3 (*Rules of Interpretation*) shall apply to this Agreement unless expressly specified otherwise.

2. CAPITAL STRUCTURE AND TERMS.

- 2.1. **Shareholding Pattern.** The issued and paid-up share capital of the Company on a Fully Diluted Basis as on the: (a) Execution Date is as set out in Part A of Schedule 4 (*Shareholding Pattern as on the Execution Date*) to this Agreement; and (b) as on the Closing Date is as set out in Part B of Schedule 4 (*Shareholding Pattern as on the Closing Date*) to this Agreement.
- 2.2. Each of the Parties herein agree to entering into this Agreement to record and state their respective inter se rights and obligations in relation to the Company. The Parties further agree that this Agreement shall supersede, override, and nullify in entirety all prior shareholder agreements, share subscription agreements, share purchase agreements entered by any of the parties in relation to their shareholding in the Company.

3. LIQUIDATION PREFERENCE.

- 3.1. The Parties agree that notwithstanding the nature of the Investor Shares upon the occurrence of a Liquidation Event the total proceeds from such Liquidation Event ("**Liquidation Proceeds**") remaining after discharging or making provision for discharging the statutory liabilities, secured and unsecured external debts, if any, of the Company, shall be distributed such that the Investor shall have a right in priority and preference to all the Shareholders (*except the Investor*) to receive an amount which is higher of aggregate sum paid by the Investor towards the acquisition of Investor Shares; or Fair Market Value of the Investor Shares at that point of time. ("**Liquidation Preference Amount**"). The Parties agree that post the distribution of the Liquidation Preference Amount to the Investor as set forth above, the Company shall distribute to the Shareholders, balance amount (*if any*) in proportion to their inter-se shareholding in the Company. For abundant clarity, it is clarified that the Investor shall always have a right in priority and preference to all the Shareholders in respect of the Liquidation Proceeds as set forth above. For avoidance of doubt, it is clarified that if the amount of the Liquidation Proceeds is lower than the Liquidation Preference Amount, the entire Liquidation Proceeds shall be distributed to the Investor.
- 3.2. It is hereby clarified and agreed that in case the proceeds of a Liquidation Event are received by the

Company or are to be placed in an escrow account or the receipt of the proceeds is based on any contingency, the proceeds of such Liquidation Event shall be distributed amongst the Shareholders by the Company in such a manner to give effect to the provisions of this Section 3.

- 3.3. The Parties shall make best efforts to structure the Liquidation Event in a manner so as to ensure realisation of the Liquidation Preference Proceeds as contemplated under this Section 3.

4. USE OF PROCEEDS.

- 4.1. The Company and the Promoters shall ensure that the utilisation of the funds raised from the Investor shall be utilised as specified in Annexure B of the SSA.
- 4.2. The Company and the Promoters agree and acknowledge that any breach of the terms of this Section 4 shall be construed as a "material breach" of this Agreement.

5. FURTHER ISSUE OF SHARES, PRE-EMPTION RIGHT AND SECOND TRANCHE.

5.1. Issue of Further Shares.

- 5.1.1. Subject to the terms of this Agreement and specifically Section 5.2.1, the Board may from time to time, determine the additional capital requirements of the Company which shall be in the nature of capital raised by issue of equity shares, preference shares or any other Securities. Upon such determination by the Board, the Investor shall have the right (but not the obligation) to subscribe to such additional Securities in the Company. Provided that, at the time of issuance of such additional Securities, such investors, who are not Shareholders, shall have executed a Deed of Adherence agreeing to abide by the terms of this Agreement in the same manner as applicable to the Promoters. In the event any subscriber is a Person other than the Shareholders, the Investor shall at its discretion require the Agreement to be amended, re stated or redrawn.

5.2. Pre-emption Right.

- 5.2.1. In the event the Board determines additional capital requirements of the Company, such requirements shall be met through a fund raise, from any Person(s) by way of issue of new equity shares, preference shares or any other Securities, as the Board may determine, including the terms of such issue, including valuation in respect of the Securities to be issued ("New Securities").
- 5.2.2. In the event of such issuance of New Securities (other than the Exempted Issuances) in accordance with Section 5.2.1, the Investor ("**Pre-emptive Right Holder**") shall have the right (but not the obligation) to subscribe to and the Board shall be obligated to offer such New Securities to the Pre-emptive Right Holder on the terms and price as determined by the Board ("**Pre-emptive Right**"). The Board shall in this event issue a written notice to the Pre-emptive Right Holder ("**Pre-emption Notice**") setting out the terms and pricing of such New Securities within 5 (five) days of the determination of such issue of New Securities by the Board.
- 5.2.3. The Pre-emptive Right Holder shall, in order to exercise their Pre-Emptive Right issue a written notice to the Board stating its acceptance ("**Pre-emption Reply**") and exercise of its Pre-emptive Right no later than 15 (fifteen) days from the Pre-Emption Notice

("Acceptance Period"), in the event the Pre-emptive Right Holder does not provide the Pre-emptive Reply or choose not to exercise their Pre-emptive Right within the Acceptance Period the Board shall be entitled to allot and issue such New Securities or part thereof to a Person other than the Pre-emptive Right Holder (i) at the same price; and (ii) on terms and conditions no less favourable than as offered by the Company to the Pre-emptive Right Holder, which issue shall be subject to the valuation protection provided in Section 7 (Anti-Dilution) and Applicable Law(s).

5.2.4. Notwithstanding anything to the contrary contained elsewhere, the Pre-emptive Right Holder shall be entitled to subscribe to any New Securities by itself or through its Affiliates. Provided that, at the time of issuance of such New Securities, such Affiliates shall have executed the Deed of Adherence agreeing to abide by the terms of this Agreement in the same manner as applicable to the Investor.

5.2.5. If the issuance of New Securities is not completed within 60 (Sixty) days following the date on which the Board approves such issuance of New Securities in accordance with Section 5.2.1 the right of the Pre-emptive Right Holder provided herein shall stand revived and the Company will be required to comply with the provisions of this Section again.

5.3. Second Tranche.

5.3.1. The Parties agree that the Investor will acquire such number of Equity Shares from the Promoter(s), representing atleast 18% shareholding in the Company on a Fully Diluted Basis ("**Second Tranche Shares**") for a consideration of INR 5,50,00,000/- (Indian Rupees Five Crores Fifty Lakhs only) ("**Second Tranche Consideration Amount**") and the Promoter(s) shall sell such Second Tranche Shares to the Investor ("**Second Closing**");

5.3.1.1. On or before 30 September 2025, in the event Company achieving equal to more than FY2025 Target PAT; or

5.3.1.2. On or before 30 September 2026, based on equity valuation linked to FY2026 Target PAT. In the event the Company fails to achieve FY2026 Target PAT, the Second Tranche Shares shall increase as may be determined by the Investor.

5.3.2. In the event the profit after tax achieved by the Company is more than FY2025 Target PAT or FY2026 Target PAT, Second Tranche Consideration Amount shall be increased proportionately as may be determined by the Investor.

5.3.3. The Parties agree that the Promoters shall transfer the Second Tranche Shares to the Investor in accordance with Section 5.3 and the Company and the Promoters shall take all necessary actions and steps required to effect the transfer of Second Tranche Shares as directed by the Investor.

5.3.4. The Parties shall execute a separate share purchase agreement for sale of Second Tranche Shares and the Second Closing shall take place by exchange of electronic deliveries and signatures, unless a physical closing is mutually agreed upon in writing by the Parties, and on such day and date as the Investor may Notify to the Promoter(s) (such date, the "**Second Tranche Closing Date**"). The Company and the Promoters shall provide Warranties (as defined in the SSA) and indemnities pertaining to Second Tranche Shares, which shall be

not less favourable than the Warranties and indemnities provided by the Company and the Promoters in the SSA.

- 5.3.5. The Company has availed a credit facility from HDFC bank, amounting to INR 6,50,00,000 (Indian Rupees Six Crore Fifty Lakhs only) ("**Credit Facility**"), for which the Promoters and the Company have inter-alia created a charge and have mortgaged Promoter Immovable Properties to secure the Credit Facility. In the event of successful consummation of the Second Closing, the Parties agree that the Investor and the Promoters shall provide guarantee in respect of the Company Loan in proportion to their respective shareholding in the Company from time to time.

6. TRANSFERABILITY OF SHARES.

6.1. Transfer Restrictions.

- 6.1.1. Subject to terms of this Agreement the Promoters shall not, directly or indirectly, Transfer any Securities or the legal or beneficial ownership of any Securities or any of their rights or obligations under this Agreement, to any Person (including to an Affiliate) other than to the Investor for a period of 3 (three) years from the Closing Date ("**Lock-In Period**") without the prior express written consent of the Investor to be obtained at least 30 (thirty) Business Days before the proposed transfer. On expiry of the Lock-In Period, the Promoters, subject to the Right of First Refusal (*Section 6.2*), and other provisions of this Agreement shall be free to Transfer the Shares held by them, to any Person (including to an Affiliate) provided that such Transfer does not directly or indirectly result in any change in Control in respect of the Company.
- 6.1.2. Provided that in case of a Transfer under this section, the Person to whom the Transfer is made shall have executed a Deed of Adherence agreeing to abide by the terms of this Agreement in the same manner as applicable to the transferor Promoter(s).

6.2. Right of First Refusal.

- 6.2.1. Subject to the provisions of this Agreement, if at any time, any Shareholder (whether in individual or joint capacity) ("**ROFR Transferor(s)**") proposes to Transfer all or any portion of its Shares in the Company ("**Offered Securities**") to any Person (other than its Affiliate) ("**Third Party Transferee**"), the other non-transferring Shareholders ("**ROFR Right Holder(s)**") shall have the right but not the obligation to purchase all or part of such Offered Securities on a pro rata basis based on its inter se shareholding in the Company ("**Right of First Refusal**"). Each of the ROFR Transferors shall, by a written notice for each such Transfer ("**ROFR Notice**"), first offer to sell the Offered Securities to the ROFR Right Holder or its designated Affiliate at the ROFR Price (*defined* below) and on the terms and conditions specified in the ROFR Notice. The Parties agree that the Investor shall be entitled to exercise its right to purchase the Offered Securities by itself or through its respective Affiliates.
- 6.2.2. The ROFR Notice shall contain the name of the Third-Party Transferee, the price at which the Offered Securities are proposed to be Transferred ("**ROFR Price**"), the terms of payment and any other terms and conditions as agreed with the Third Party Transferee.
- 6.2.3. The ROFR Right Holder shall be entitled to issue a written notice to the ROFR Transferors

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("Acceptance Notice") in response to the ROFR Notice, within a period of 30 (thirty) days from the date of receipt of the ROFR Notice ("ROFR Acceptance Period"), (i) to accept the offer to purchase the Offered Securities ("ROFR Securities") within 30 (thirty) days from the date of receipt of the Acceptance Notice, at the ROFR Price on the terms and conditions as prescribed in the ROFR Notice, and in the case of the Investor, to purchase the ROFR Securities, either through itself or through an Affiliate.

6.2.4. In the event that the ROFR Right Holder does not offer to purchase all of the Offered Securities within the ROFR Acceptance Period then the ROFR Transferor shall, be at liberty to sell to the Third Party Transferee, the Offered Securities at a price not lower than the ROFR Price and on terms and conditions not more favourable than those contained in the ROFR Notice within a period of 30 (Thirty) days from the expiry of the ROFR Acceptance Period ("Third Party Completion Period"). The ROFR Transferors shall be required to furnish to the ROFR Right Holder necessary documentation evidencing the completion of the sale of the Offered Securities to the Third Party Transferee within 10 (ten) days from the expiry of the Third Party Completion Period and the terms of such sale including but not limited to the price at which the Offered Securities were sold.

6.3. **Transfer to Third Party Transferee.**

In the event, a sale to the Third-Party Transferee is not completed within the Third-Party Completion Period, the ROFR Notice shall lapse, and the procedure prescribed under Section 6.2 (*Right of First Refusal*) shall have to be followed again in the event the ROFR Transferor proposes to Transfer any of its Securities to any third party (including the Offered Securities).

6.4. Any Transfer of Securities which is not in compliance with the provisions of this Section 6 (*Transferability of Shares*) shall be *void ab initio* and the Company shall not:

6.4.1. record or register any Transfer of Securities in violation of this Section 6 (*Transferability of Shares*); and

6.4.2. treat the Person to whom the Securities have been Transferred in violation of this Section 6 (*Transferability of Shares*) as the owner of Securities of the Company or accord any rights to vote or pay dividend or otherwise to such Person, to which he/she/it may otherwise be entitled to, as the owner of the Securities.

7. **ANTI-DILUTION.**

7.1. If, at any time after the Closing Date, the Company issues to any Person any New Securities (including an Exempted Issuance and/or any rights issuance except issuance of additional Equity Shares to give effect to the provisions of Section 7 (Anti-Dilution)) or undertakes any action, including effecting any changes in the capital structure of the Company, at a valuation lower than the valuation at which the Investor subscribed to the Securities, the Company shall issue and offer or the Promoters shall Transfer to the Investor or any Person acceptable to the Investor, at the lowest price permitted by Applicable Law, such number of additional Equity Shares ("Investor Adjustment Shares") so as to make the Investor shareholding equal to the value the Investor shareholding would have been if the New Securities had been issued by the Company at a valuation at which the Investor subscribed to the Securities held by Investor.

8. BOARD, MANAGEMENT AND RELATED MATTERS.

8.1. **Appointment of Directors.** Directors will be nominated by the Shareholders in the manner set out in this Agreement.

8.2. **Number of Directors.**

8.2.1. The Board size and composition shall not be altered except with the prior written consent of the Investor. The Parties agree that till the time the Investor holds 33.33% shareholding in the Company on a Fully Diluted Basis, the Investor shall on and from the Closing Date, have the right to nominate and appoint 1 (one) Director on the Board. The "**Investor Directors**" shall mean the Directors appointed by the Investor. The Investor shall be entitled to appoint and remove the Investor Directors by notice to the Company. The Company shall immediately and no later than 3 (three) days following the receipt of a notice from the Investor in this regard, complete all corporate and regulatory formalities regarding such appointment, removal or substitution. Further, the Investor shall be entitled to appoint, remove and temporarily substitute the Investor Director with an alternate Director ("**Investor Alternate Director**") from time to time who shall act as an alternate Director to such Investor Director during the temporary absence of the Investor Director from India. Notwithstanding anything in this Section, 8.2.1 the Investor shall at all times be entitled to at its discretion, nominate an observer ("**Investor Observer**") to the Board, who shall have the right to be present but not the right to vote at all Board Meetings and any Board matters undertaken by the Company. All Notices, documents and information, including certified true copies of Board minutes, provided to the Board members by the Company shall also be provided to the Investor Observer.

8.2.2. Subject to the terms of this Agreement, each of the Promoters shall on and from the Closing Date, have the right to be a Director on the Board ("**Promoter Directors**") till the time Investor holds 33.33% shareholding in the Company on a Fully Diluted Basis. In the event the Investor shareholding in the Company exceeds 33.33%, the Board size and composition shall be altered as per the sole discretion of the Investor.

8.2.3. The directorship of the Promoter Directors shall stand automatically vacated from the Board upon occurrence of any of the following events.:

8.2.3.1. on occurrence of a Cause event in respect of any Promoter Director; or

8.2.3.2. on Event of Default.

8.2.4. It is clarified that in the event of the occurrence of an event as envisaged in Section 8.2.3.1, only the directorship of the relevant Promoter ceasing to be in employment of the Company, shall stand terminated and vacated from the Board of the Company.

8.2.5. Upon occurrence of any of the above with respect to a Promoter Director and if so, required by the Investor, such Promoter Director shall be deemed to have vacated the office of the Director and the Company shall undertake all necessary actions to affect such vacancy. Any replacement in place of such Promoter Director shall be appointed with the consent of the Investor.

8.2.6. The Parties agree that they shall exercise voting rights and cause their respective nominee

Directors to exercise their voting rights and do all such things necessary to give effect to the provisions of this Section 8.2 subject to and in accordance with Applicable Laws.

- 8.2.7. Notwithstanding anything to the contrary contained in the Transaction Documents, any and all rights of the Promoters including but not limited to directorship in the Company shall fall away, in the event the shareholding of the Promoters (collectively) fall below 20% in the Company.
- 8.3. **Qualification Shares and Rotation.** The nominated Directors shall not be required to hold any qualification shares and shall not be liable to retire by rotation.
- 8.4. **Quorum.** The mandatory quorum for the meetings of the Board, or of any committee of the Board of Directors, shall always require the presence of 2 (two) Directors, one of which shall be an Investor Director. If the quorum as set forth above is not present within half an hour of the scheduled time of the Board meeting, the Board meeting shall stand adjourned to the same day, location and time on the following week. If such day is not a Business Day, the Board meeting shall be held on the next Business Day. Subject to Section 8.13, the adjourned Board meeting shall consider the same matters as were on the agenda for the Board meeting that was adjourned, however, no decision in relation to matters set out in Part A of Schedule 5 shall be made in the adjourned Board meeting without the written approval of the Investor.
- 8.5. **Meetings of the Board.**
- 8.5.1. The Board shall meet at least 4 (four) times in a calendar year, and the interval between 2 (two) meetings shall not exceed 120 (one hundred twenty) days.
- 8.5.2. Subject to Applicable Laws, the meetings of the Board may be conducted through video or telephonic conference, unless otherwise decided by the Board.
- 8.5.3. **Notice of Meeting.** Unless otherwise agreed by 1 (one) Promoter Director and 1 (one) Investor Director, 7 (seven) days clear written notice shall be given for any meeting of the Board, whether in India or outside India. The notice of such meeting shall be sent to the Directors and by electronic mail. The notice may also be hand delivered or delivered by post or by courier, in addition to delivery through electronic mail. In case of an alternate Director, notice shall be sent to the alternate Director as well as the original Director.
- 8.5.4. Every such notice convening a Board meeting shall have a schedule containing the agenda for the Board meeting identifying in sufficient detail, each business to be transacted at the Board meeting together with all relevant supporting documents in relation thereto and the conference details to enable any Director/alternate Director to participate in such meeting by video or telephone conference. Any matter which has not been detailed in the agenda, shall not be transacted at any meeting of the Board, including any Reserved Matter. Provided however that the Board may, with the consent of an Investor Director, and 1 (one) Promoter Director, as may be required, consider any matter not circulated in the agenda to the said Board meeting.
- 8.6. **Circular Resolution.** Subject to relevant provisions of the Act, a written resolution (circulated in draft form, along with all the relevant supporting documents) agreed (either in favour of or against the resolution) by the majority of the Directors entitled to vote thereon shall be as valid and

effectual as a resolution duly passed at a meeting of the Board and may consist of several documents in the like form each signed by one or more Directors. Provided that no business concerning any of the Investor Reserved Matters shall be approved except as specified in Section 8.13 of this Agreement.

- 8.7. **Decision making by the Board.** Subject to Section 8.13 below and Applicable Laws, resolutions of the Board shall be passed by a simple majority of votes of the Directors entitled to vote thereon and each Director shall be entitled to 1 (one) vote.
- 8.8. **Insurance for the Board.** Within 45 (forty five) days from the Closing Date, the Company shall procure and maintain a directors and officers' insurance policy as well as a medical and accident insurance policy for the Directors on the Board consistent with insurances obtained generally by companies operating in the same or similar industry and line of business as the Company.
- 8.9. **Indemnity.** Except in case of fraud, wilful misconduct or gross negligence on the part of any of the Directors, the Company shall indemnify and keep indemnified all the Investor Directors to the maximum extent permitted by Applicable Law and the Articles shall contain a provision for providing the broadest permissible indemnification by the Company to Investor Directors, to the extent not already indemnified from out of the directors' and officers' insurance policy.
- 8.10. **Committees of the Board.** Subject to the provisions of the Agreement, the composition of all committees as may be established by the Company and the Board from time to time shall be such as may be agreed by the Board subject to the receipt of affirmative vote of at least 1 (one) Investor Director.
- 8.11. **Non-executive Status of the Investor Directors.** The Company agrees and acknowledges that the Investor Directors and the Investor Alternate Directors, if any, shall be non-executive Directors. The Promoters and the Company expressly agree that, save as provided under the Applicable Laws, the Investor Directors and Investor Alternate Directors shall not be identified as officers in charge/default of the Company, or occupiers of any premises used by the Company or an employer of the employees. Further, the Promoters and the Company undertake to ensure that the other Directors or suitable persons are nominated as officers in charge/ default and for the purpose of statutory compliances, occupiers or employers, as the case may be, in order to ensure that the Investor Directors and Investor Alternate Directors do not incur any liability, whether actual or contingent, present or future, quantified or un-quantified.
- 8.12. **Shareholders' Meetings.**
- 8.12.1. At least 21 (twenty one) days clear written notice shall be given for any meeting of the Shareholders of the Company. The notice of such meeting shall be sent to by electronic mail. The notice may also be hand delivered or delivered by post or by courier, in addition to delivery through electronic mail. A meeting of the Shareholders may be called upon at shorter notice in accordance with Applicable Law, subject to the consent of the Investor and the Promoters. Subject to Applicable Law, the Shareholders may participate in the meetings through video or telephonic conferencing. The Investor shall be entitled to attend meetings of all shareholders of the Company and will be entitled to vote on all matters and would be entitled to such number of votes as though all the CCPS have been converted into Equity Shares on the date of such meetings, subject to Applicable Law. For clarity, until the Conversion Valuation, the shareholding of the Investor in the

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Company shall be considered at 33.33% (Thirty three point three three percent) only.

- 8.12.2. Every such notice convening a meeting of the Shareholders shall contain an agenda for the meeting identifying in sufficient detail, each business to be transacted at the general meeting together with an explanatory statement (where required under Applicable Laws), all relevant documents in relation thereto and the conference details to enable any Shareholder to participate in such meeting by video conference/telephone conference.
- 8.12.3. The quorum for a meeting of the Shareholders shall be at least 2 (two) Shareholders, including 1 (one) representative of the Promoters (collectively), and 1 (one) representative of the Investor. If the quorum as set forth above is not present within half an hour of the scheduled time of the Shareholders meeting, the Shareholders meeting shall stand adjourned to the same day, location and time on the following week. If such day is not a Business Day, the Shareholders meeting shall be held on the next Business Day. Subject to Section 8.13, the adjourned Shareholders meeting shall consider the same matters as were on the agenda for the Shareholders meeting that was adjourned, however, no decision in relation to matters set out in Part A of Schedule 5 shall be made in the adjourned Shareholders meeting without the written approval of the Investor.
- 8.12.4. Voting on all matters to be considered at a general meeting of the Shareholders shall be by way of a poll unless otherwise agreed upon in writing between the Parties. However, no Reserved Matters shall be approved or considered except as specified in Section 8.13.
- 8.12.5. No chairman of any Shareholders' meeting shall have any second or casting vote.
- 8.13. **Reserved Matters.** Notwithstanding anything contained in this Agreement, each Shareholder, the Promoters and the Company hereby agree that none of the actions specified in Part A and Schedule 5 (*Reserved Matters*) shall be taken (or agreed to be taken) by the Company and/or its Subsidiaries, the respective Board, or the Shareholders without the prior written approval of the Investor (in its own capacity) which, for the avoidance of doubt, (i) may be given in writing or by voting in favour of a resolution by the Investor at a Shareholders' Meeting or a Board meeting (as applicable); or any Investor Director in a duly convened Board Meeting or by consenting to a resolution by circulation. In the event, any resolution is passed in a meeting of the Board or Shareholders of the Company or its Subsidiaries or any action is undertaken in breach of the provisions of this Section 8.13 (*Reserved Matters*), such resolution and action (i) shall be void and invalid ab initio; (ii) shall not be valid or binding on any Person including the Company or its Subsidiaries; and (iii) the Company or its Subsidiaries (as applicable) shall not take any action pursuant to such decision or resolution.
- 8.14. The Promoters shall be responsible to conduct the day-to-day affairs of the Company in accordance with the Business Plan, this Agreement, the Promoter Employment Agreements and Applicable Laws, provided however, the Promoters shall operate under the supervision of the Board and seek its guidance on material issues relating to the Business.

9. INFORMATION AND INSPECTION RIGHTS.

- 9.1. **Reports and Information.** As long as the Investor holds any Securities of the Company, the Investor, and/or any of its authorised representatives shall be entitled to receive, from the Company, the following information regarding the Company at the Company's cost;

- a. previous Financial Year's Financial Statements at least 1 (one) month before the annual general meeting of the Company is held to approve and adopt the Financial Statements;
- b. audited annual Financial Statements , within 90 (ninety) days of the end of each Financial Year accompanied by a report from the managing director and a discussion of key issues and variances to the budget and to the previous period;
- c. monthly management information systems' (MIS) statements including balance sheet, profit and loss account and cash flow statements / reports and any intellectual property proceeding documents in a form satisfactory to the Investor (including but not limited to revenue, earnings before interest, Taxes, depreciation and amortization (EBITDA), profit before Tax and other operational metrics) within 12 (twelve) Business Days of the end of each month or any other report which may be required by the Investor from the Company at any time;
- d. quarterly standalone and consolidated (if applicable) financial statements within 15 (fifteen) Business Days from the end of each quarter of the Financial Year;
- e. limited review quarterly standalone and consolidated (if applicable) financial statements within 30 (thirty) Business Days; from the end of each quarter;
- f. minutes of Board and general meetings within 7 (seven) Business Days of the respective meeting;
- g. quarterly and annual internal audit reports of the Company, if so undertaken, within such time as may be mutually agreed between the Company and the Investor;
- h. annual Business Plan as approved by the Board within 7 (seven) days of the Board approving the same which will be approved at least 30 (thirty) days before the commencement of the Financial Year;
- i. annual operating budget at least 30 (thirty) days prior to the beginning of the Financial Year to which the budget relates;
- j. changes relating to the employment of Key Employees within 2 (two) Business Days of the Company/ Promoter becoming aware of such change(s)/events;
- k. any other relevant information that may be reasonably required by the Investor including Business Plan, Notices, business metrics, offers for purchase of the Company or its Shares, capital expenditure budgets, intellectual property proceeding documents and management reporting information;
- l. monthly reports in respect of related party transactions undertaken by the Company;
- m. quarterly detailed review meeting with the Board, upon request by the Investor; and
- n. any such information which may affect the rights of the Investor.

- 9.2. **Inspection Rights.** In addition to the information and materials to be provided under this Section 9 (*Information and Inspection Rights*), the Company shall permit Investor and/or its authorised representatives, so long as the Investor holds any Securities of the Company, to visit and inspect, to their satisfaction, the offices, properties and/or Assets of the Company. The Investor and/or its authorized representatives will be entitled to inspect the Company's books and records (including but not limited to material contracts, financial accounts and documents) as well as conduct internal audits, as Investor may deem fit, at its discretion. The Company and Promoters shall render co-operation and provide such authorizations as may be required to give effect to the provisions hereof. The Investor and/or its authorized representatives shall also have the right to consult with the management of the Company and receive information, documents and material about the Business and operations of the Company that they consider material, from the Company, its employees, vendors, consultants, counsel (internal or external) and internal and external auditors of the Company. The Company and / or the Promoters shall, where required, facilitate such consultation including by issuing appropriate instructions to the persons referred to above.

10. COVENANTS.

10.1. Auditors.

The Investor shall be entitled to appoint the statutory auditor, and internal auditor of the Company, in accordance with the Act. In the event, the Investor chooses not to appoint the statutory auditor, or internal auditor of the Company, the Company shall appoint the internal auditor and/or statutory auditor of the Company with the prior approval of the Investor. Notwithstanding anything to the contrary herein, the Company shall appoint any one of the big 6 accountancy firms or as mutually agreed reputed peer reviewed audit firm as the statutory auditor and a reputed internal auditor once turnover of the Company crosses INR 50,00,00,000 (Indian Rupees Fifty Crores only) with mutual agreement between Company and the Investor.

10.2. Chief Financial Officer and Chief Executive Officer.

The Investor shall further be entitled to, appoint and change the chief financial officer and chief executive officer of the Company. The Investor may consult with the Promoters in good faith for such appointment or change of the chief financial officer and chief executive officer of the Company.

10.3. Accounts.

The books and records of the Company shall be kept in accordance with applicable accounting standard as per Applicable Law(s). The Company shall make and keep books, records and accounts, in detail, that accurately and fairly reflect all of its transactions, disposition of its Assets and affairs and financial status of the Company.

- 10.3.1. The books and accounting records of the Company shall be kept at the registered office of the Company or at such other place, as the Board may deem fit and proper. The Company shall allow the Investor, either individually or together with its Affiliates, the right to inspect its books and accounting records, to make extracts and copies therefrom at its own expense.

10.3.2. An annual audit of the books of accounts, records and affairs of the Company shall be conducted by the auditors of the Company immediately following the close of the Financial Year in accordance with Applicable Laws.

10.4. Business and Compliances.

The Company shall, and the Promoters shall ensure that the Company shall at all times:

- 10.4.1. be in compliance with Applicable Law including but not limited to the filing of all applicable statutory returns or disclosures as the case be within the prescribed due date(s) as per the Applicable Law;
- 10.4.2. not be in breach of any of its obligations under the licenses, registrations, permits and orders from Governmental Authorities;
- 10.4.3. take all steps to protect the Business and revenue streams of the Company;
- 10.4.4. on and from the Effective Date, the Company shall enter into appropriate non-compete and confidentiality agreements with all Key Employees and other employees engaged after the Closing Date;
- 10.4.5. ensure that the funds of the Company, including any surplus funds of the Company, shall be managed in accordance with the Business Plan;
- 10.4.6. comply with all obligations under agreements and contracts to which the Company is a party and to which its Assets, operations are subject; and
- 10.4.7. utilise the name of the Investor and/or the Investor Director, for any marketing, promotional or other similar purposes, with the prior written consent of the Investor only.

10.5. Business Plan.

The Board shall, on the Closing Date adopt the Business Plan set out in Annexure B of the SSA outlined by the Promoters and approved by the Investor. Any further updates to the Business Plan shall be approved and adopted by the Board with the consent of the Investor on an annual basis.

10.6. Related Party Transactions.

The Company and the Promoters hereby undertake that any transactions between the Company and any Related Party shall be conducted at an arm's-length basis, as provided in the Act.

10.7. Insurance.

The Company shall maintain comprehensive liability, fire, earthquake, extended coverage and other appropriate insurance coverage with respect to the Business in a form and manner satisfactory to the Investor.

10.8. Data Protection Compliance.

The Company shall and the Promoters shall ensure that the Company shall, comply with the Applicable Laws in connection with data protection, including the Information Technology Act,

2000 and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011.

10.9. **Systems and Controls.**

The Company shall and the Promoters shall ensure that the Company shall, put in place adequate systems and controls to ensure that any material decision or action relating to the Business are taken or implemented only after they have been duly authorized by the Board.

10.10. **Non-Pledging of Shares.**

The Investor shall not be required to pledge their shareholding in the Company or invest any additional amount in the Company or offer any guarantee (including personal) or collateral security in respect of any borrowing by the Company. The Promoters shall not create any Encumbrance on Securities of the Company held by them without prior written approval of Investor.

11. **PROMOTER EMPLOYMENT.**

11.1. The Promoters ("**Promoter Employees**") shall be employed by the Company, for a period of 5 (five) years from the Closing Date, unless otherwise agreed by the Investor and the relevant Promoter, subject to and in accordance with the terms and conditions contained in the Promoter Employment Agreements. The Promoter Employment Agreements (in agreed form) are assented by the Promoters and the Investor and shall be separately entered into and executed with each of the Promoters on the Closing Date or the any other such date agreed to by the Parties provided that the said date is before the Long Stop Date. On the expiry of the 5th (fifth) year, the employment agreements may be renewed by mutual agreement of the Investor and Promoters for an additional period of 2 (two) years, subject to the terms of this Agreement. The Promoters shall not be terminated from the Company without Cause.

11.2. Notwithstanding anything contained in the Transaction Documents, the employment of the Promoters, with the Company, may be terminated for Cause, at any time during the term of their employment with the Company with the prior consent of the Investor.

11.3. **Consequences of Termination for Cause.** Upon termination of the employment of any of the Promoters for Cause not amounting to an Event of Default, in addition to the consequences set out in the relevant Promoter Employment Agreements, the Investor shall, at its option, be entitled in relation to all/any of the Promoter(s), including the impugned Promoter require Transfer of all Securities held by the Promoter(s) to the Investor or any other Person acceptable to the Investor at a price which is equivalent to 50% (fifty) percent of the Fair Market Value of the Shares.

12. **EXIT RIGHTS.**

12.1. **Investor Exit.**

12.2. Subject to the Applicable Laws, the Company shall ensure to provide an exit to the Investor, 3 (three) years from the Second Tranche Closing Date or at any time as mutually agreed by the Parties ("**Exit Date**") ("**Exit**"). The Exit may be provided by way of either a IPO, Strategic Sale or such other manner as determined by the Investor.

12.3. The terms, manner and conditions of the Exit shall be determined solely by the Investor.

12.4. In the event the Company and the Promoters are unable to provide an Exit to the Investor (i) by the Exit Date; or (ii) on the occurrence of Event of Default ("**Drag Event**"), the Investor shall be entitled to exercise its Drag Along Right in accordance with Section 12.4 of this Agreement.

12.4.1. Upon the occurrence of a Drag Event, the Investor ("**Dragging Shareholder**"), shall, at its option be entitled to obligate any or all Shareholders including the Promoters, (the "**Dragged Shareholder(s)**") to, in a single transaction or series of related transactions, either: (a) sell up to 100% (one hundred percent) of their Shares ("**Drag Along Shares**") along with the Dragging Shareholder to a third party, including a Competitor ("**Drag Purchaser**"), at the same price being received by the Dragging Shareholder ("**Drag Sale**"); or (b) merge or consolidate the Company with any other entity ("**Drag Along Right**").

12.4.2. Upon the exercise of the Drag Along Right by the Dragging Shareholder pursuant to this Section, the Dragging Shareholder shall send a notice to the Dragged Shareholders specifying the consideration payable per Share, number of Shares to be sold by the Dragged Shareholders and material terms of such purchase ("**Drag Sale Notice**"). Upon receipt of a Drag Sale Notice, the Dragged Shareholders shall be obligated to:

- a) simultaneously with the Dragging Shareholder, sell such number of their Shares (as determined by the Dragging Shareholder and set out in the Drag Sale Notice) free of any Encumbrance on terms set out in the Drag Sale Notice; and
- b) take all necessary actions (including such action as may be reasonably requested of them by the Dragging Shareholder) to cause the consummation of such transaction, including: (i) exercising the voting rights attached to their Shares in favour of such transaction; (ii) not exercising any approval or voting rights in connection therewith in a manner contrary to the closing of the Drag Sale; (iii) appointing the Dragging Shareholder, as their attorneys-in-fact to do the same on their behalf.
- c) all costs and expenses incurred in relation to the Drag Sale shall be borne entirely by the Company. The Company and the Dragged Shareholders shall co-operate and take all necessary and desirable actions in connection with the consummation of the Drag Sale including without limitation, timely execution and delivery of any agreements and instruments to complete the Drag Sale, providing access and information as may be requested by any potential purchaser and co-operating in any due diligence conducted by the potential purchaser. The Company and the Promoters in this event shall provide such customary representations and warranties, indemnities and covenants as may be required by any potential purchaser in connection with the completion of the Drag Sale.

12.4.3. If a Dragged Shareholder fails, refuses or is otherwise unable to comply with its obligations in this Section, the Company shall have the authority and be obliged to designate a Person to execute and perform the necessary Transfer on behalf of such Dragged Shareholder. The Company may receive and hold the purchase consideration in trust for the Dragged Shareholder and cause the Drag Along Purchaser to be registered as the holder of the Drag Along Shares being sold by the relevant Drag Shareholder. The receipt by the Company of the purchase consideration shall be a good discharge to the

Drag Along Purchaser. Further, the relevant Dragged Shareholder shall also be entitled to designate a Person who shall be deemed to be appointed as the attorney-in-fact of the Dragged Shareholder shall take all necessary actions on their behalf to cause the consummation of such transaction.

12.4.4. Further, if any Dragged Shareholder fails or refuses to Transfer any Drag Along Shares, after the Company has received the entire purchase money in respect of the Drag Along Shares in trust for the Dragged Shareholder in accordance with the section above, the Drag Along Purchaser may serve a default notice on the relevant defaulting Dragged Shareholder and the defaulting Dragged Shareholder shall not be entitled to exercise any of its powers or rights in relation to the Drag Along Shares, including voting rights attached thereto or the right to participate in the profits of the Company.

13. NON-COMPETE AND NON-SOLICITATION.

13.1. Each of the Promoters undertake that they shall not (whether directly or indirectly or alone or in conjunction with, or on behalf of, another Person) during the Restricted Period without the prior written consent of the Investor:

13.1.1. solicit or entice away, or attempt to solicit or entice away, from the Company, or employ, offer to employ or enter into a contract for the services of, any Person employed by, by the Company at that point in time;

13.1.2. own, manage, operate, Control, participate or carry on any business, be employed or engaged in any manner whatsoever (including as an individual, through a partnership or as a shareholder, joint venture partner, collaborator, consultant, advisor, principal contractor or sub-contractor, director, trustee, committee member, office bearer or agent) in any business carried on, whether for profit or otherwise, or be interested economically or otherwise in any manner whatsoever in any business which is in competition (whether in whole or in part) with the Business;

13.1.3. interfere, or seek to interfere, with the continuance of supplies to the Company from any supplier who has been supplying goods or services to the Company;

13.1.4. without prejudice to any rights relating to passing off or trademark infringement (or similar rights in any territory), use in connection with any business, any name (in whatever form) which includes the name of any Company or any trading style or get up which is confusingly similar to that used by the Company.

13.2. Each of the Parties acknowledge that the restrictions in this Section 13 are reasonable and necessary for the protection of the Company's interests, Confidential Information and goodwill of the Company.

13.3. Each of the undertakings in Section 13.1 is separate and severable. Accordingly, if any court or Government Authority of competent jurisdiction finds any of those undertakings to be illegal, unlawful, void or unenforceable it will not affect the remainder of those undertakings which will continue in full force and effect.

13.4. Further, the Parties agree that the non-compete restrictions provided in this Section 13 shall also

be applicable to the respective Affiliates of each of the Promoters.

- 13.5. The Promoters undertake to ensure that all business opportunities known to them or made known to them during the time they hold Securities in the Company or are engaged with the Company in any capacity, with respect to and/or connected with the Business are referred to the Company.
- 13.6. The Promoters shall make full and true disclosure in writing to the Investor of any direct or indirect interest or benefit that they are likely to derive through or in connection with any contractual arrangements, dealings, transactions or affairs of the Company.
- 13.7. The Promoters in the employment of the Company shall devote their full time and attention to provide services and perform such other duties as may be required by the Company.

14. REPRESENTATIONS AND WARRANTIES.

- 14.1. The Promoters, and the Company, jointly and severally represent and warrant to the Investor that:
 - 14.1.1. this Agreement has been duly executed and delivered by each of them and constitutes a legal, valid and binding obligation of each of them enforceable against each of them in accordance with its terms;
 - 14.1.2. the execution, delivery and performance of this Agreement and all instruments or agreements required hereunder by each of them does not contravene, violate or constitute a default of or require any consent under the provisions of any other agreement or instrument to which each of them is bound including any order, judgment, decree or injunction of any court of law; and
 - 14.1.3. each one of them has the full power and authority to enter into this Agreement, to execute this Agreement and to perform their obligations and observe the terms and conditions hereof. No legal proceedings are pending or threatened against the any of them before any court, tribunal or authority which do or may restrain the Promoter's ability to perform or observe the terms and conditions of this Agreement or which do or may in any other manner question the validity, binding effect or enforceability of this Agreement.
- 14.2. The Investor represents and warrants to the other Parties that:
 - 14.2.1. this Agreement has been duly executed and delivered by it or its duly authorised representatives and constitutes a legal, valid and binding obligation on it, enforceable against it in accordance with its terms;
 - 14.2.2. it is duly organised and validly existing under the laws of the country of its incorporation (where applicable);
 - 14.2.3. it has the full power and authority to enter into this Agreement to execute this Agreement and to perform its obligations and observe the terms and conditions hereof.

15. EFFECTIVE DATE AND TERMINATION

- 15.1. **Effective Date.** This Agreement shall come into effect on the Closing Date. This Agreement shall remain valid so long as the Investor holds any Securities in the Company unless terminated earlier in accordance with Section 15.2 (*Termination*).

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15.2. Termination.

Subject to the Surviving Sections, the Agreement shall automatically terminate *vis-à-vis* the Investor or a Shareholder, upon such Shareholder or Investor ceasing to hold any Securities of the Company, in accordance with the terms of this Agreement.

- 15.2.1. All costs and expenses incurred in relation to the sale or Transfer of Securities pursuant to this Section shall be borne entirely by the Company or the Promoters. The Company and the Promoter(s) shall co-operate and take all necessary and desirable actions in connection with the consummation of the transactions pursuant to this Section including without limitation, obtaining necessary consents and approvals from Governmental Authorities, timely execution and delivery of any agreements and instruments to complete such transactions, providing access and information as may be requested by any potential purchaser and co-operating in any due diligence conducted by the potential purchaser. The Company and the Promoter(s) shall provide customary representations and warranties as may be required by any potential purchaser in connection with the completion of the transactions pursuant to this Section. The Investor shall not be required to provide any representations, warranties, guarantees or indemnities or be subject to any restrictive covenants pursuant to or in relation to the transactions pursuant to this Section.
- 15.2.2. All rights of the Promoters under this Agreement and the Transaction Documents shall cease and the Promoter Directorships shall stand vacated, immediately and automatically upon the occurrence of the Event of Default.
- 15.2.3. The termination of this Agreement 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.
- 15.2.4. Except for provisions of this Agreement that expressly or by their nature survive termination, including Section 13 (*Non-Compete and Non-Solicitation*), Section 16 (*Confidentiality*), and Section 18.5 (*Governing Law and Dispute Resolution*) ("**Surviving Sections**"), all rights and obligations of the Parties shall cease upon termination of this Agreement. The rights and obligations of the Parties under this Agreement pursuant to Sections which by their nature survive the termination of this Agreement shall not be extinguished by termination of this Agreement.

16. CONFIDENTIALITY.

16.1. General Obligations.

- 16.1.1. Each Party undertakes that it shall not reveal, and shall take reasonable measures to ensure that its directors, officers, managers, partners, members, employees, legal, financial and professional advisors and bankers (collectively, "**Representatives**") do not reveal, to any third party, any Confidential Information without the prior written consent of the concerned Party disclosing such information, regardless of whether this Agreement is terminated or not, or use the Confidential Information other than for carrying out the purposes of this Agreement. Confidential Information shall at all times remain the property of the Party that owns it as on the relevant date.
- 16.1.2. To ensure compliance with the confidentiality provisions under Section 16 and to

Company after such transaction; and/or (iv) Winding Up of the Company; or (v) any combination thereof.

“Loss” means any losses, claims, demands, debts, liabilities, obligations, expenses, costs, damages, taxes, deficiencies, assessments, settlements, awards, and judgments (whether or not resulting from third party claims), including interests, fines, cess, surcharge and penalties with respect thereto and out-of-pocket expenses, including amounts paid in settlement, interest, court costs, cost of investigators, reasonable attorneys’ and accountants’/consultants’ fees and disbursements. Loss shall in no case include any indirect, special or consequential losses, except any indirect, special or consequential damages suffered by third parties that result in an actual loss to the Indemnified Parties.

“Material Adverse Change” means any event, occurrence, fact, condition, change, development or effect that, individually or in the aggregate, has had or may reasonably be expected to have a material adverse effect on the Company’s financial condition, operations, results of operations, prospects, assets, liabilities or business as now conducted or proposed to be conducted.

“Net Worth” shall mean as defined in the Companies Act, 2013.

“Ordinary Course of Business” means an action, event or circumstance that is recurring in nature and is taken in the ordinary course of the Company’s normal day-to-day operations, and:

- a) similar in nature and magnitude to actions customarily taken, without any separate or special authorization, in the normal day-to-day operations of other Persons that are engaged in businesses similar to the Person’s business; and
- b) consistent with past practice and existing policies of the Company (including those in relation to debtors and creditors).

“Person” means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under Applicable Law.

“Promoter Employment Agreements” shall mean the employment agreements which shall be executed with the Promoters on the Closing Date, or any other date as mutually agreed by the Parties but shall not be later than the Long Stop Date.

“Promoter Immovable Properties” shall mean the immovable properties, the details of which are set out in Schedule 8.

“Proprietary Rights” means and includes collectively or individually, the following worldwide rights relating to intangible property, whether or not filed, perfected, registered or recorded and whether now or hereafter existing, filed, issued or acquired: (a) patents, patent applications, patent disclosures, patent rights, including any and all continuations, continuations-in-part, divisions, re-issues, re-examinations, utility, model and design patents or any extensions thereof; (b) rights associated with works of authorship, including without limitation, copyrights, copyright applications, copyright registrations; (c) rights in trademarks, trademark registrations, and applications therefor, trade names, service marks, service names, logos, or trade dress; (d) rights relating to the protection of trade secrets and confidential information; and (e) internet domain names, internet and world wide web (WWW) URLs or addresses; (f) mask work rights, mask work registrations and applications therefor; and (g) all other intellectual, information or proprietary rights anywhere in the world including rights of privacy and publicity, rights to publish information and

content in any media.

“Related Party” means the Company, the Promoters and their respective relatives, Affiliates, Shareholders and Directors of the foregoing Persons and shall include the Persons considered to be related parties in accordance with the Act.

“Relative” means a relative as defined under the Act.

“Reserved Matters” shall mean the matters which are set out in Schedule 5.

“Restricted Period” means a period from the date hereof until such period for which any of the Promoters is employed with the Company as per the terms of the relevant employment agreement or until any Promoter holds at least 5% (five percent) of the Shares of the Company, whichever is later (**“Cutoff Date”**), plus a period of 3 (three) years from such Cutoff Date.

“Security(ies)” means all classes and series of shares, Equity Shares, Shares, options, warrants, preference shares, convertible securities of all kinds including debentures or any other arrangement relating to the Company’s share capital.

“Shares” means all classes of shares in the capital of the Company issued from time to time on Fully Diluted Basis, together with all rights, differential rights, obligations, title, interest and claim in such Shares and shall be deemed to include all bonus shares issued in respect of such shares and shares issued pursuant to a stock split in respect of such Shares on a Fully Diluted Basis.

“Share Subscription Agreement” or the **“SSA”** means the share subscription agreement executed amongst the Parties for the subscription of the relevant Subscription Shares by the Investor and shall include any schedules, annexures, or exhibits that may be annexed to Share Subscription Agreement now or at a later date and any amendments made to Share Subscription Agreement by all the parties thereto in writing.

“Shareholders” means the holders of Securities including Equity Shares in the Company (which are Equity Shares or convertible into Equity Shares) as on the relevant point in time referred to in the specific Section wherein such term is used.

“Strategic Sale” shall mean a transaction proposed and /or initiated by the Promoters and/ or the Company that enables the Shareholders to fully dispose of all their then existing shareholding in the Company (held either directly or indirectly) by the Exit Date and where the offer price of the shares shall be solely determined by the Investor, and includes an amalgamation or merger or sale of Shares or sale of assets of the Company. It is clarified that a transaction initiated voluntarily by one or more Shareholders with respect to sale of their respective Shares shall not be treated as a Strategic Sale.

“Subscription Shares” means the CCPS of the Company subscribed by the Investor, pursuant to the Share Subscription Agreement.

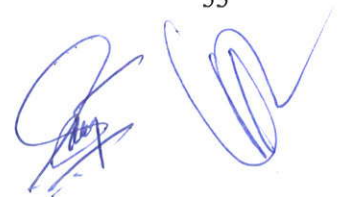
“Transaction Documents” means this Agreement, the Share Subscription Agreement, the Articles, the Promoter Employment Agreements and all other agreements and documents that may be executed by the Parties pursuant to this Agreement, the Share Subscription Agreement or the transactions contemplated therein.

“Transfer” (including the terms "Transferred " and “Transferability”) shall mean to directly or indirectly,

transfer, sell, assign, Encumber in any manner, place in trust (voting or otherwise), exchange, gift or transfer by operation of law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily.

“**Winding Up**” means any voluntary or involuntary liquidation, dissolution or winding up of a company as set out in the Act and/or the Insolvency and Bankruptcy Code, 2016.

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SCHEDULE 3
Rules of Interpretation

The following rules of interpretation shall apply in this Agreement unless the context requires otherwise or is expressly specified otherwise.

- (a) The definitions in Schedule 2 (*Definitions*) shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.
- (b) All references herein to Sections, Schedules and Annexures shall be deemed to be references to Sections of, and Schedules and Annexures to, this Agreement unless the context shall otherwise require. All Schedules and Annexure attached hereto shall be deemed to be incorporated herein as if set forth in full herein. The terms "sections(s)" and "subsection(s)" shall be used herein interchangeably. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The words "include", "includes", and "including" shall be deemed to be followed by the words "without limitation".
- (c) The Parties have participated jointly in the negotiation and drafting of this Agreement; accordingly, in the event an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provisions of this Agreement.
- (d) "**Consent**" of any Party unless otherwise specified, shall always mean prior written consent.
- (e) Reference to the term 'pro-rata' means on the basis of the proportionate shareholding of a shareholder on a Fully Diluted Basis unless otherwise indicated in this Agreement.
- (f) Time is of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence.
- (g) Time taken for procuring regulatory approvals to consummate any transactions contemplated in this Agreement shall be excluded from the calculation of time periods stated in this Agreement.

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SCHEDULE 4

Part A

Shareholding Pattern as on the Execution Date (on a Fully Diluted Basis)

Sr.No	Name of the Shareholder	Type of shares	No. of Shares/ securities held	Shareholding percentage on a Fully Diluted basis
1	Raveendra Shetty	Equity	5,000	50%
2	Suchitra Shetty	Equity	5,000	50%
	Total		10,000	100%

Part B

Post- Capitalization of the Company as on the Closing Date (on a Fully Diluted Basis)

Sr. No	Name of the Shareholder	Type of shares	No. of Shares/ securities held	Shareholding percentage on a non diluted basis *
1	Raveendra Shetty	Equity	5,000	33.33%
2	Suchitra Shetty	Equity	5,000	33.33%
3	Fabtech Technologies Cleanrooms Limited	CCPS	5,000	33.33%

*The shareholding pattern of the Company on a Fully Diluted Basis is subject to change, as per and in accordance with Schedule 7.

SCHEDULE 5

PART A

Investor Reserved Matters

1. Mergers, acquisitions, investment in any other entity/person, reorganization or other business combination involving the Company and/ or its subsidiaries;
2. Acquisition or disposal of an asset or assumption of borrowing or contingent liability in one financial year other than transactions approved in the Business Plan;
3. Entering into loan agreements or borrowing funds;
4. Issue of debt, shares, warrants or convertibles including ESOPs/SAR/RSU or any change in capital structure including through reduction in shares, buybacks or any other re-organisation of capital through a merger or acquisition;
5. Incorporation or formation of new subsidiaries of any nature or joint ventures of the Company;
6. Disbursal of loans and/or advances;
7. Entering into or initiating or settling any litigation proceedings by or involving the Company;
8. Change in Business Plan including but not limited to change in business scope, any diversification into new business areas related or unrelated to the existing businesses of the Company and its subsidiaries;
9. Creation, approval, allotment or amendment of any ESOP or any other employee incentive or benefit plan, granting any share option or similar incentive or equity plan or right to subscribe, acquire or convert into shares, issuance of sweat equity shares;
10. Investment of Company's excess cash other than in bank deposits or in a manner not contemplated in the Business Plan or earlier Investor approved policy;
11. The increase, reduction, sub-division, cancellation, recapitalization, consolidation, or variation of the Company's authorized or issued share capital (including any Shares), and in respect of issue and allotment of shares, including an initial public offer the terms and conditions of such issue and allotment;
12. Liquidation or dissolution or the filing for insolvency or bankruptcy of the Company or any other group company;
13. Change in any respect with Company's Charter Documents or the rights attaching to any of its Equity Shares;
14. Entering into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms;
15. Create or permit to be created, any mortgage, charge, encumbrance or other security interest

whatsoever on any material asset or Company's business in whole or in part or any of its shares other than for any loans/external financing availed by the Company;

16. Establish or amend any profit-sharing, share option, bonus or other incentive scheme of any nature for Key Employees;
17. Any changes to bank account operating signatories other than as set out in this Agreement or opening a new bank account;
18. Incurring any capital expenditure exceeding or equal to INR.15,00,000/- (Fifteen Lakhs only).
19. Agree to remunerate (by payment of fees, the provision of benefits-in-kind or other-wise) any new officer or new consultant to the Company or increase the remuneration of any such person by more than 20% (twenty) percent of such pre-existing remuneration;
20. Entering into any transaction between the Company/its subsidiaries and a Related Party or varying the terms of any existing transaction between the Company/its subsidiaries and a Related Party;
21. Declaration of any dividend by the Company or distribute the capital or profits of the Company or capitalization of reserves of the Company;
22. Creating any Encumbrance over any portion of the Company's share capital;
23. Any appointment or change in Company's statutory and/or internal auditors and/or chief financial officer and or chief executive officer;
24. Any appointment, promotion, or change in Company's Key Employees including fixing of their remuneration;
25. Changing of Financial Year or material accounting or tax policies or practices of the Company;
26. Entering into any strategic or financial arrangement with a third party granting/offering exclusive rights to such third party including but not limited to exclusive marketing and/or distribution arrangements by the Company in respect of the Company's business.

The above Investor Reserved Matters shall apply to both the Company and each of its Subsidiaries.

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SCHEDULE 6
Deed of Adherence

THIS DEED OF ADHERENCE is made the _____ day of _____, _____

AMONG:

- (1) _____ [*name and details of the transferee to be inserted*] (hereinafter referred to as "**The Coventor**") to whom _____ shares [*number and nature of the transferred Shares to be inserted*] of the Company have been transferred by _____ [*name of the transferor to be inserted*] ("**The Transferring Shareholder**"); and
- (2) [●], a private limited company duly incorporated under the Companies Act, 1956, having corporate identification number [●] and having its registered office at [●] ("**Company**")

THIS DEED IS SUPPLEMENTAL to the shareholders' agreement ("**Agreement**") executed on [●] between the parties thereto.

AND WITNESSES as follows:

The Covenanter hereby confirms that it has been supplied with a copy of the Agreement and the Articles and hereby covenants with the Company to observe, perform and be bound by all the terms thereof which were applicable to the Transferring Shareholder and are capable of applying to the Covenanter to the intent and effect that the Covenanter shall be deemed with effect from the date on which the Covenanter is registered as a member of the Company to be a Party to the Agreement.

The Covenanter hereby covenants that it shall not do any act or commit any omission that derogates from the provisions of the Agreement or the Articles.

This Deed shall be governed in all respect by the laws of India.

EXECUTED as a deed the day and year first before written.

For and on behalf of the within-in Company

For and on behalf of the within-in Covenanter

SCHEDULE 7
Terms and Conditions of CCPS

The CCPS have the following characteristics, including certain rights vested in the holders of the CCPS which are in addition to, and without prejudice to, the other rights of the holders of CCPS and including those set out in the Shareholders Agreement and the Act. Unless otherwise expressly mentioned in the Shareholders Agreement, the terms, preferences, rights and privileges of the CCPS shall rank *pari passu* with the other series of CCPS.

1. **Face Value:** The face value of each CCPS shall be INR 10 (Indian Rupees Ten only). For the avoidance of doubt, each CCPS when allotted shall be fully paid up. Each CCPS shall be fully and compulsorily convertible into Equity Shares in accordance with Paragraph 3 below. The number of Equity Shares to be issued to the holder of the CCPS upon conversion shall, subject to the other terms and conditions set forth in this Agreement, is set out in Paragraph 3 below.

2. **Dividends:**
 - (a) Subject to Applicable Law, the holder of the CCPS shall be entitled, to receive a cumulative dividend at the rate of 0.001% per Financial Year, on par with the other holders of CCPS, and in priority to holders of all other Equity Shares.
 - (b) If the Company declares a dividend on Equity Shares at a rate, which is higher than the rate mentioned above in Paragraph 2(a) above, the holder of the CCPS shall be entitled to receive such higher rate of dividend, in priority to holder of Equity Shares or other securities. The dividend entitlement of the holder of the CCPS shall be computed on a Fully Diluted Basis.
 - (c) In the event the Company makes, or fixes a record date for the determination of holder of Equity Shares that are entitled to receive, any distribution payable in property or in securities of the Company or any other Person, then and in each such event, the holder of the CCPS shall receive, at the time of such distribution, the amount of property or the number of securities of the Company that they would have received had the CCPS been converted into Equity Shares on the date of such event.
 - (d) The Company shall not declare and pay any dividend unless dividend is paid in accordance with this Paragraph 2.

3. **Conversion.**
 - (a) **Ratio:** The conversion ratio shall be based on the conversion valuation, which shall be determined post deduction of items in accordance with and as set out below from Base Valuation: ("**Conversion Valuation**"):
 - (i) Net Debt as on the Closing Date pursuant to the Closing Financial Statements;

- (ii) current assets of the Company as on the Closing Date pursuant to the Closing Financial Statements to the extent not realized (or otherwise translated in cash) on or before 31st March, 2026 (other than those covered under Net Debt);
 - (iii) liabilities, claims and costs identified until 31 March 2026 relating to periods prior to Closing that are not recognized in the Closing Financial Statements (other than those covered under Net Debt).
- (b) Term: The Company shall convert all of the CCPS held by the Investor into such number of Equity Shares on 30 September, 2026 or within 30 (Thirty) days from the completion of statutory audit of the Company for the Financial Year 2025-2026, whichever is later. In the event the Company is unable to provide the audited financial statements for the Financial Year 2025-2026, the Investor by 30 September 2026, the Investor shall on its sole discretion determine the Conversion Valuation based on the provisional financial statements for the Financial Year 2025-2026. The Company shall issue such number of Equity Shares to the Investor, basis the Conversion Valuation to the Investor, without any additional payment to the Company for such conversion ("**Conversion Shares**"). The Company shall bear the costs and expenses, including stamp duties, on the issuance of Conversion Shares to the Investor. Notwithstanding anything to the contrary contained in this Agreement or Transaction Documents, the decision of the Investor shall be final in determining the calculation of Conversion Valuation and consequently the quantum of Conversion Shares.
- (c) Miscellaneous:
- (i) Upon conversion of the CCPS held by any holder thereof, no fractional Equity Shares shall be issued and allotted to such holder. In the event, there occurs a situation where any fractional Equity Share needs to be issued to any holder of the CCPS (after considering all Equity Shares to be issued to such holder pursuant to conversion) upon conversion, such fractional number shall be rounded off to the nearest whole number, in aggregate.
 - (ii) If the CCPS are changed into the same or a different number of Equity Shares of any other class or classes of shares or other securities or property, whether by capital reorganization, reclassification or otherwise, then each CCPS shall thereafter be convertible at the option of the Investor into: (A) such number of shares or other securities to which a holder of CCPS of the Company, deliverable upon conversion of such CCPS, shall have been entitled, upon such reorganization, reclassification or other event; or (B) Equity Shares. The Promoters and the Company shall ensure that the conversion of the CCPS is in accordance with Applicable Law.
- (d) Process:
- (i) Subject to this Paragraph 3, for the conversion of the CCPS, the Company shall, pursuant to paragraph 3(b), give a notice of conversion ("**Notice of Conversion**") to the CCPS holder. Along with the Notice of Conversion, the holder of the CCPS shall either: (A) surrender the certificate or certificates evidencing its holding of the CCPS at the office of the Company; or (B) in case the CCPS are in

dematerialized form, filing the necessary corporate action forms with the depository participant for extinguishing / forfeiting the CCPS in accordance with the procedure laid down under Applicable Law.

- (ii) The Company shall, within 30 (thirty) calendar days of issue of Notice of Conversion, complete the conversion of the CCPS by the issue and allotment of the relevant number of fully paid Equity Shares to be issued upon conversion of the CCPS in accordance with the terms of this Schedule 7 (*Terms and Conditions of CCPS*). The Company shall issue and deliver to the holder of the CCPS: (A) a certificate or certificates, duly executed and stamped; or (B) in case the CCPS are in dematerialized form, credit to the demat account of the holder of the CCPS, for the number of Equity Shares to which the holder of the CCPS shall be entitled as aforesaid, plus any declared and unpaid dividends on the converted CCPS. The Company shall cause the register of members of the Company to be updated to reflect the conversion as well as file such forms electronically with the relevant Governmental Authority. In the event of a compulsory conversion, all outstanding CCPS shall be converted into Equity Shares, in accordance with Applicable Law.
 - (iii) The Company shall bear all the expenses arising on account of the issue of the Equity Shares pursuant to any conversion, including any stamp duty or other taxes and levies (if applicable).
 - (e) Equity Shares issued upon conversion of the CCPS shall be fully paid and free of all Encumbrances and will in all respects rank *pari passu* with the Equity Shares in issue on the conversion date of the CCPS and shall be freely transferable subject only to restrictions in the Shareholders Agreement and the Articles.
4. **Meeting and Voting Rights:** The holder of the CCPS shall be entitled to attend meetings of all shareholders of the Company and will be entitled to vote on all matters and would be entitled to such number of votes as though all the CCPS have been converted into Equity Shares on the date of such meetings, subject to Applicable Law. Further, if the holder is unable to exercise their voting rights in a meeting of all shareholders, the Shareholders and any other shareholders holding Equity Shares shall vote in accordance with the instructions of the holder of such CCPS at a general meeting or provide proxies without instructions, to the holder of such CCPS for the purpose of a general meeting, equal to the percentage of Equity Shares in the Company that the holder of such CCPS would hold if they were to elect to convert the CCPS into Equity Shares. For clarity, until the Conversion Valuation, the shareholding of the Investor in the Company shall be considered at 33.33% (Thirty three point three three percent) only.
5. **Other rights, preferences and privileges:** All other rights, preferences and privileges as set out in this Agreement, the Shareholders Agreement and the Charter Documents shall apply to the CCPS and includes any Equity Shares issued pursuant to the conversion of such shares, including right of pre-emption, anti-dilution, and liquidation preference as set out in the Shareholders Agreement.

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SCHEDULE 8

Promoter Immovable Properties

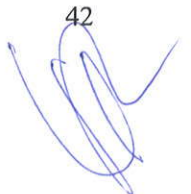
1. Apartment No. 1102, Eleventh Floor, Wing A, Sun Shrishti A CHSL, Tunga village, Saki Vihar Road, Andheri East- 400080, Mumbai, Maharashtra, India.
2. Industrial Gala No. K204, Second Floor, Ansa J and K Industrial PCSL, Ansa Industrial Estate, Saki Vihar Road, Andheri East- 400072, Mumbai, Maharashtra, India.

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(Signature Pages follow)



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IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed by their duly authorised representatives on the date and year first hereinabove written.

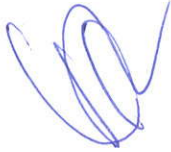
By **Suchitra Shetty**



(This signature page forms an integral part of the Shareholders' Agreement executed in July 2024 by and amongst Kelvin Air Conditioning and Ventilation Systems Private Limited, Fabtech Technologies Cleanrooms Limited, Raveendra Shetty and Suchitra Shetty)

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed by their duly authorised representatives on the date and year first hereinabove written.

By **Raveendra Shetty**



(This signature page forms an integral part of the Shareholders' Agreement executed in July 2024 by and amongst Kelvin Air Conditioning and Ventilation Systems Private Limited, Fabtech Technologies Cleanrooms Limited, Raveendra Shetty and Suchitra Shetty)

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed by their duly authorised representatives on the date and year first hereinabove written.

For and on behalf of

Kelvin Air Conditioning and Ventilation Systems Private Limited



Through its authorised signatory;

Name: RAVEENDRA SHETTY

Designation: DIRECTOR

(This signature page forms an integral part of the Shareholders' Agreement executed in July 2024 by and amongst Kelvin Air Conditioning and Ventilation Systems Private Limited, Fabtech Technologies Cleanrooms Limited, Raveendra Shetty and Suchitra Shetty)

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed by their duly authorised representatives on the date and year first hereinabove written.

For and on behalf of
Fabtech Technologies Cleanrooms Limited



Through its authorised signatory;

Name: AMJAD A- ARBANI

Designation: DIRECTOR

(This signature page forms an integral part of the Shareholders' Agreement executed in July 2024 by and amongst Kelvin Air Conditioning and Ventilation Systems Private Limited, Fabtech Technologies Cleanrooms Limited, Raveendra Shetty and Suchitra Shetty)