


SHAREHOLDERS' AGREEMENT

LAXMI DENTAL GROUP

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 Dr. A. K. A.
 




SHAREHOLDERS' AGREEMENT

This **SHAREHOLDERS' AGREEMENT** ("Agreement") is entered into as on January 21, 2015 ("Execution Date"):

By and Amongst:

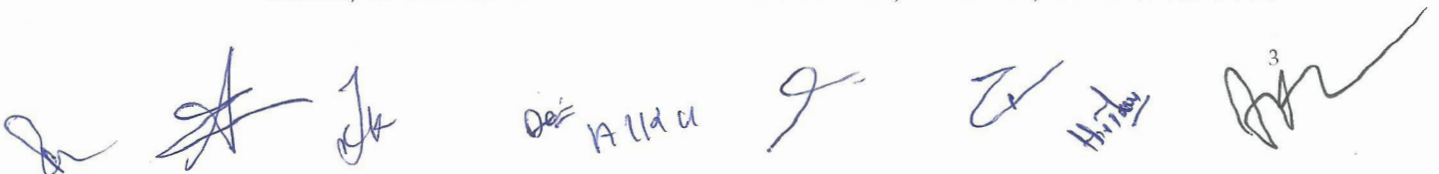
- (1) **ORBIMED ASIA II MAURITIUS FDI INVESTMENTS LIMITED**, a company incorporated in Mauritius and having its registered office at Fifth Floor, Ebene Esplanade, 24 Cybercity, Ebene, Mauritius, (hereinafter referred to as "**Investor**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors, Affiliates, nominees and permitted assigns) and brief particulars of the Investor are set out in Part A of **SCHEDULE 1** below;

AND

- (2) **LAXMI DENTAL EXPORT PRIVATE LIMITED**, a company duly organized and existing under the 1956 Act and having its registered office at 80A, Kandivali Co-op Industrial Estate Limited (Government Industrial Estate), near Hindustan Naka, Charkop, Kandivali (West), Mumbai - 400 067, Maharashtra (hereinafter referred to as "**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) and brief particulars of the Company are set out in Part B of **SCHEDULE 1** below;

AND

- (3) The Persons whose names and brief particulars are set out in Part C of **SCHEDULE 1** (hereinafter collectively referred to as the "**Promoters**" and individually as "**Promoter**", which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include their heirs, successors, administrators and

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permitted assigns);

AND

- (4) The entities whose names and brief particulars are set out in Part D of SCHEDULE 1 (hereinafter collectively referred to as the "Group Entities" and individually as "Group Entity", which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include their respective subsidiaries and/or joint ventures).

The Investor, the Company, the Promoters and the Group Entities shall collectively be referred to as the "Parties" and individually as a "Party", wherever the context so permits.

RECITALS:

- A. The Company is a company limited by shares and engaged in the Business.
- B. The authorised, issued, subscribed and paid up share capital of the Company as on the Execution Date is as set forth in SCHEDULE 1.
- C. The Company, the Group Entities, the Promoters and the Investor have executed the Subscription Agreement (*defined below*) pursuant to which agreement, the Investor has agreed to invest into the capital of the Company and subscribe to the Investor Shares (*defined below*).
- D. Now, therefore, the Parties are entering into this Agreement to record their mutual understanding with respect to, *inter alia*, their *inter se* rights and obligations by virtue of their respective shareholding in the Company, the management of the Company, Exit Rights (*defined below*) of the Investor and certain other matters as set forth herein below.

IN CONSIDERATION OF THE MUTUAL COVENANTS, REPRESENTATIONS, WARRANTIES AND AGREEMENTS SET FORTH HEREIN AND FOR OTHER GOOD AND VALUABLE CONSIDERATION PAID UNDER THE SUBSCRIPTION AGREEMENT, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, 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 SCHEDULE 3 shall, have the meanings assigned to them in the said Schedule.
- 1.2 **Interpretation.** The rules of interpretation set out in SCHEDULE 4 shall apply to this Agreement.

2 EFFECTIVE DATE

- 2.1 This Agreement shall be effective immediately upon Closing and on and from the Closing Date.

3 INFORMATION AND INSPECTION RIGHTS

3.1 **Reports and Information.** Until completion of the Public Offer (or such lesser time period as specifically agreed to under this Section 3.1), the Investor and any of its authorised representatives, including the Investor Directors/Observer, shall be entitled to receive, from the Company and the Group Entities the following information regarding the Company and the Group Entities:

- 3.1.1 unaudited quarterly financial statements, including cash flow statements certified by the chief financial officer of the Company within 45 (forty five) days of the end of each quarter;
- 3.1.2 audited financial statements, including cash flow statements, within 150 (one hundred and fifty) days of the end of the Financial Year 2013-2014 and within 120 (one hundred and twenty) days of the end of the subsequent Financial Year and unaudited financial statements, including cash flow statements, at the end of 60 (sixty) days of the end of each Financial Year;
- 3.1.3 monthly management review detailing key operational performance indicators within 30 (thirty) days of end of every month;
- 3.1.4 monthly information reports (MIS) (including profit and loss statements) within 21 (twenty one) days of the end of each month for the first 6 (six) months after Closing and within 15 (fifteen) days of the end of each month after the expiry of the first 6 (six) months after Closing;
- 3.1.5 any information in relation to the resignation or the proposed resignation of any Director, Key Employees or the company secretary of the Company or the Group Entities, immediately upon such resignation (if resigned) and in any event not later than 2 (two) Business Days from the date of resignation or date of knowledge of intent to resign, as relevant;
- 3.1.6 details of any formal proposals/offers received by the Company and the Group Entities for any sale (whether by way of Transfer or allotment) of Shares, as soon as practicable and in no event later than a period of 3 (three) Business Days of receipt of any such proposals/offers by the Company and Group Entities;
- 3.1.7 minutes of Board and Shareholders meetings, within 15 (fifteen) days of the concerned meeting;
- 3.1.8 annual operating financial budget and annual business plan as approved by the Board within 10 (ten) days of the Board approving the same;
- 3.1.9 notification of any key management changes/changes to any of the Key Employees or changes / cancellation of material contracts, licenses and any such event which are likely to have a material impact on the Business within 7 (seven) days of occurrence of such change;
- 3.1.10 details of any notices, actions, litigation (including winding up proceedings or notices under any enactment or regulation), proceedings, disputes, or adverse changes, where the amount claimed by or against the Company is, or is likely to be, more than INR 500,000 (Rupees five hundred thousand), within 7 (seven) days of the occurrence of such event; and,
- 3.1.11 any other additional information as may be requested by the Investor from time to time.

- 3.2 **Information Rights post Public Offer.** After completion of a Public Offer, the Investor will be entitled to such information rights as are available under Applicable Law to (i) a Shareholder; and, (ii) a Director (as long as a nominee of the Investor is on the Board).
- 3.3 **Inspection Rights.** In addition to the information and materials to be provided under this Section 3, the Company and the Group Entities shall permit the Investor and its authorised representatives, agents or counsel at all times during normal business hours to visit and inspect to its satisfaction, the offices of the Company and the Group Entities. Investor shall be required to issue a prior Notice of at least 3 (three) Business Days. Investor and its authorized representatives, agents or counsel will be entitled to inspect the Company's and the Group Entities' material contracts and financial accounts and documents as well as conduct internal audits, as the Investor may deem fit at its sole discretion. The Company, Group Entities and Promoters shall render co-operation and provide such other authorization as may be required. The Investor and its authorized representatives shall also have a right to consult with and receive information, documents and material about the Business that the Investor considers material, from the Company, Group Entities, their respective employees, vendors, consultants, counsel (internal or external) and internal and external auditors. The Company, Group Entities and the Promoters shall, where required, facilitate such consultation including by issuing appropriate instructions to the persons referred to above. The Company and the Group Entities shall bear the cost only in relation to 1 (one) such inspections/audits in every calendar year.







4 **BOARD, MANAGEMENT AND RELATED MATTERS**

- 4.1 **Composition and size of the Board.** The Board of the Company shall consist of not more than 6 (six) Directors.
- 4.2 **Directors.** The composition of the Board shall be determined as follows.
- 4.2.1 Investor shall have a right to nominate directors (each an "Investor Director" and collectively "Investor Directors") on the Board in proportion to its shareholding in the Company on an As If Converted Basis and remove such Investor Director(s) by Notice to the Company. On the Closing Date, the Investor will nominate 1 (one) director on the Board. The Company shall immediately and no later than 3 (three) Business Days following receipt of a Notice from the Investor in this regard, complete all corporate and regulatory formalities regarding such appointment, removal or substitution. The Promoters and the Company shall take all actions to ensure that the Investor Directors and replacements, if any are duly appointed as a Director on the Board without any delay. The Promoters undertake not to veto or otherwise obstruct the appointment of the Investor Directors on to any Board or committee of the Company and Group Entities in accordance with this Agreement. The appointment of the Investor Directors, as such will not require approval of the Board or of the Shareholders, save and except the completion of necessary procedural formalities attending their formal appointment to the Board under Applicable Law, which formalities shall be

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completed without any delay.

- 4.2.2 Promoters shall collectively have a right to nominate Directors to the Board (each a "**Promoter Director**" and collectively "**Promoter Directors**") in proportion to their shareholding in the Company. On the Closing Date, the Promoters will nominate up-to 4 (four) directors on the Board. The Promoters shall be entitled to nominate a Promoter Director and remove such Promoter Director by Notice to the Company, Investor and the Group Entities. The Company and the Group Entities shall immediately and no later than 21 (twenty one) Business Days following receipt of a Notice from the Promoters in this regard, complete all corporate and regulatory formalities regarding such appointment, removal or substitution. A Promoter shall not be entitled to appoint himself or any other Person as a Promoter Director if such Promoter's employment with the Company and the Group Entities is terminated for cause. In such an event, the remaining Promoters shall be bound to co-operate and do such acts as may be necessary in this regard.
- 4.2.3 The Promoters and the Investor shall together be entitled to appoint independent directors to the Board ("**Independent Director/s**"). The Promoters and the Investor shall also together be entitled to remove or substitute such Independent Director/s at any time. The Company and the Group Entities shall complete all corporate and regulatory formalities regarding such appointment, removal or substitution.
- 4.2.4 The chairman of the Board shall be appointed by the Board, and the chairman of the Board shall not have a second or a casting vote.
- 4.3 **Retirement and Replacement of Directors:** Each of the Parties shall exercise their rights and take all such actions as may be needed to ensure the election or appointment of the individuals nominated as aforesaid. In the event of the resignation, retirement or vacation of office of a nominated Director, the Party/Parties nominating such Director shall be entitled to appoint another Director in place of such outgoing Director and all the Parties shall exercise their rights and take all such actions as may be needed to ensure the appointment of the individual nominated as aforesaid. Within 7 (seven) Business Days of a Notice to the Company from a Party/Parties entitled to nominate or substitute a Director, each of the Parties shall exercise their rights and take all such actions as may be needed, and the Company shall complete all corporate and regulatory formalities relating to such nomination or substitution as the case may be. It is clarified that no Party other than the Party nominating such a Director shall have a right to remove such appointed Director.
- 4.4 **Committees of the Board.** The Board may set up such committees as the Board may deem fit from time to time. The Investor will be entitled to nominate at least 1 (one) Investor Director as a member of all such committees. The nominee of the Investor shall be required to be present to form a quorum of any meeting of such committees and the provisions of quorum for Board meetings as set out in Section 4.10 shall *mutatis mutandis* apply for meetings of all such committees.

2   Dr. ARIKH     7

- 4.5 **Observer.** Without prejudice to Section 4.2.1 above, the Investor shall be entitled to appoint 1 (one) observer to the Board (the "**Observer**"). The Observer shall have the right to receive all Notices, documents and information provided to the Board members and be entitled to attend and participate at all meetings of the Board. The Observer shall not be considered for quorum, and the Observer shall not be entitled to vote with respect to any resolution proposed to be passed at a Board meeting.

4.6 **Investor Alternate Director**

4.6.1 Subject to Applicable Law, the Investor shall be entitled to nominate, maintain, remove and substitute an alternate Director to the Investor Director (the "**Investor Alternate Director**") from time to time to act as an alternate Director to the Investor Director during the absence of the Investor Director from the state in which the meetings of the Board are ordinarily held. The Board shall ensure that the Person nominated by the Investor is appointed as the Investor Alternate Director immediately upon Notification by the Investor. The Company and the Group Entities shall within 7 (seven) days of Notification in this regard complete all corporate and regulatory formalities regarding the appointment, removal or substitution of the Investor Alternate Director.

4.6.2 Investor Alternate Director shall be considered for the constitution of quorum and shall be entitled to attend and vote at such meetings in place of the Investor Director and generally perform all functions of the Investor Director in his absence. Upon the appointment of the Investor Alternate Director, all Notices and other materials that are circulated to the Directors shall be circulated both to the Investor Director and Investor Alternate Director.

4.7 **Alternate Promoter Directors and Alternate Independent Director**

Subject to the provisions of Section 4.2.2 and 4.2.3, the provisions of Section 4.6 shall, *mutatis mutandis*, be applicable to the appointment of an alternate Director to a Promoter Director and the Independent Director.

4.8 **Non-Executive Status and Indemnification**

4.8.1 The Company and the Group Entities agree and acknowledge that the Investor Directors and Investor Alternate Directors shall be non-executive Directors. The Promoters, the Company and the Group Entities expressly agree that 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, the Company and the Group Entities 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. Accordingly,

notwithstanding anything to the contrary in this Agreement, the Company and the Group Entities agree to indemnify and hold the Investor Directors and the Investor Alternate Directors harmless from all claims and liabilities to the maximum extent permitted under Applicable Law. The Parties agree that the Investor Directors and the Investor Alternate Directors shall not retire by rotation and shall not be required to hold any qualification Shares. Termination of this Agreement, for any reason whatsoever, shall not affect the indemnification obligations of the Promoters, the Company and the Group Entities towards the Investor Directors and Investor Alternate Directors.

4.9 Board Meetings.

- 4.9.1 The Investor Directors shall be given 45 (forty five) days' prior written Notice of the meeting of the Board.
- 4.9.2 Each Notice of a Board meeting shall contain, *inter alia*, an agenda (which shall be circulated at least 7 (seven) days prior to the date of the respective meeting of the Board) specifying in reasonable detail the matters to be discussed and shall be accompanied by all necessary written information and documents. Subject to Section 4.13 (Investor Protection Matters) and Section 10.20 (Alteration of Articles), and only with the consent of the majority of the Board and Investor Consent, the Board may consider any matter not circulated in the agenda.
- 4.9.3 All expenses including travel, hotel and related expenses incurred by the Investor Director(s) and Observer for attending meetings of the Board and committees and for attending to other official business of the Company and the Group Entities, shall be borne by the Company and the Group Entities (as the case may be).
- 4.10 **Quorum.** The quorum for all meetings of the Board shall always include at least 1 (one) Investor Director or Investor Alternate Director, as the case may be, to be present throughout the meeting. If the quorum is not present within half an hour of the scheduled time of the meeting, or is not maintained throughout, the meeting shall stand adjourned to the same day, location and time on the following week. If such day is not a Business Day, the meeting shall be held on the next Business Day. In a given calendar year if the Investor Directors (i) have already requested twice for adjournment of a Board meeting; and (ii) are absent at such adjourned meeting, then the Board may consider an action or approve decisions provided they do not relate to any matters contained in Section 4.13 (Investor Protection Matters) and Section 10.20 (Alteration of Articles).
- 4.11 **Resolutions.** Subject to Section 4.13 (Investor Protection Matters) and Section 10.20 (Alteration of Articles), decision shall be said to have been made or a resolution passed at a Board meeting only if at a validly constituted meeting, such decision or the resolution is approved by a majority of the Directors present (physically or through any other means permissible by Applicable Law) and voting at such Board

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meeting.

- 4.12 **Circular Resolutions.** Subject to Applicable Law, no resolution shall be deemed to have been duly passed by a Board or a committee thereof by circulation or written consent, unless the resolution has been circulated in draft, together with the information and documents required to make a fully-informed good faith decision with respect to such resolution, if any, to all the Directors, or to all members of the relevant committee, as the case may be, at their usual address. Provided that no business concerning any of the Investor Protection Matters shall be approved except as specified in Section 4.13 (Investor Protection Matters) and Section 10.20 (Alteration of Articles) of this Agreement. Notice relating to circular resolutions shall be circulated to all Directors, whether located in India or not at such time. However, an Investor Protection Matter shall not be taken up for discussion or voted upon unless Investor Consent has been obtained for including such matter in the agenda of the circular resolution.

4.13 **Investor Protection Matters.**

- 4.13.1 Subject to Applicable Law, the Investor shall have the ability to vote at Board and Shareholders' meetings as common shareholders on an As If Converted Basis. As long as the Investor holds the Minimum Investor Threshold, or until the successful completion of the Public Offer, whichever is earlier, the Investor Protection Matters listed in Section 4.13.2, delegation thereof and entering into any agreement/contract in relation thereto, require Investor Consent at both the Board and Shareholders level. In the event any Investor Protection Matter is proposed to be discussed at a Board or Shareholders meeting, the same must be included in the agenda of the meeting which is circulated prior to such meeting. Notwithstanding anything contained in this Agreement, any decision of the Company or the Group Entities (as the case may be), any resolution of the Board or a committee thereof and any resolution of the Shareholders relating to an Investor Protection Matter, shall require the Investor Consent. In the event such Investor Consent has not been obtained and an Investor Protection Matter has been taken up at a Board meeting or meeting of a committee, such matter shall not be voted upon or resolved at any meeting of the Board, or a committee thereof of the Company or the Group Entities (as the case may be) without the consent of the Investor Director. If the Investor or Investor Director in its/ his discretion determines that a matter/ resolution should be taken up at a Shareholders' meeting, the Board shall call for a Shareholders' meeting to discuss the relevant matter/resolution. In the event any decision or resolution is effected without complying with the provisions of this Section, (i) such decision or resolution shall not be valid or binding on any Person including the Company or the Group Entities; and (ii) the Company or the Group Entities shall not take any action pursuant to such decision or resolution unless the Investor Consent is obtained for the same. The Company, Group Entities and the Promoters shall provide all necessary information and material to the Investor to enable it to make a decision relating to the Investor Protection Matters.

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4.13.2 As provided in Section 4.13.1 above, the following actions of the Company and each of the Group Entities shall require Investor Consent.

- 4.13.2.1 All decisions with respect to any offering of securities for listing on any Stock Exchange in India or otherwise, including (i) any act that would impact the rights and interests of the Investor as contained in the Definitive Agreements and any IPO; (ii) the approval of the size and terms of any Public Offer of the Company's or the Group Entities' securities (including any Public Offer) and any later round of financing.
- 4.13.2.2 Any change in the authorized, subscribed, issued or paid up capital of the Company and the Group Entities including (i) issuing of warrants, phantom stock, stock options, dilution instruments, (ii) registration/ approval of Transfer of Shares of the Company or the Group Entities and creation of or taking on record any charge or Encumbrance on the Shares of the Company or the Group Entities; (iii) reclassifying any outstanding Shares into shares having preference or priority as to dividends or assets to the securities issued to the Investor. (iv) listing of securities of the Company or the Group Entities.
- 4.13.2.3 Any amendments to the Articles, Definitive Agreements.
- 4.13.2.4 Commencement of any new business, closing down any existing business or business vertical of the Company or the Group Entities or creation of a holding company/any new subsidiary company.
- 4.13.2.5 Entering into or amending the terms of any agreements, or Related Party transactions, in excess of INR 5,000,000/- (Indian Rupees five million), or any other transaction not on an arm's length basis.
- 4.13.2.6 Except for the agreements that are already in force, entering into any transactions such as joint ventures, strategic partnerships, profit sharing arrangements or any transaction granting exclusive rights of any nature to any person involving monetary consideration of INR 10,000,000/- (Indian Rupees ten million) or more, or, agreements which are unusual, onerous, material or otherwise outside the Ordinary Course of Business, including entering into or any changes to any agreement that the Company or Group Entities is party to in relation to establishment, maintenance or running of a hospital, clinic or healthcare facility of any form whatsoever.
- 4.13.2.7 Creating or dissolving any subsidiaries other than in the Ordinary Course of Business.
- 4.13.2.8 Grant or variation of any compensation to the Promoters, their Relatives and Key Employees, including an increase of more than 20% (twenty per cent) in the total compensation of any Key Employees, employee/consultant of the Company and the Group Entities whose compensation (on a cost-to-company basis) is more than INR 2,500,000/- (Indian Rupees two million

- five hundred thousand) in any 12 (twelve) month period.
- 4.13.2.9 Providing any guarantees or indemnities with respect to any debts or obligations of any subsidiaries or other Related Parties.
- 4.13.2.10 Any investments in securities for treasury operations other than investments in fixed deposits, bank debt, and listed debt securities with a minimum "AA" rating.
- 4.13.2.11 Writing-off of any of the Company's or the Group Entities' receivables, loans and advances, investments or inventories amounting to greater than INR 2,500,000/- (Indian Rupees two million five hundred thousand) to any person or collectively to persons forming part of a group, either directly or indirectly, whether in a single transaction or through a series of transactions, without any reference to time elapsed between transactions.
- 4.13.2.12 Appointment and removal of employees who satisfy any of the following criteria: (i) whose remuneration is above INR 3,000,000/- (Indian Rupees three million) if employed with the Company or a Group Entity and above USD 100,000/- (United States Dollars one hundred thousand) or equivalent if employed with any Group Entity located outside India; (ii) who directly reports to the Board or to the Company's or a Group Entity's chief executive officer /managing director, other than the secretarial staff and employees, whose remuneration is less than INR 3,000,000 (Indian Rupees three million) if employed with the Company or a Group Entity and less than USD 100,000 (United States Dollars one hundred thousand) or equivalent if employed with any Group Entity located outside India; (iii) compliance officer; and, (iv) head of any division or vertical.
- 4.13.2.13 Any acquisition of or Encumbrance of Assets, sale of Assets, borrowings (including off-balance sheet items) in excess of 10% (ten per cent) of the approved business plans and annual budgets or other than in the Ordinary Course of Business.
- 4.13.2.14 Any merger, amalgamation, divestment, sales of substantial Assets, or any other form of restructuring, including any strategic sale, winding up of the Company or a Group Entity; Transfer of (i) all or substantially all of the Company's or a Group Entity's Assets; (ii) any of the Company's or a Group Entity's Proprietary Rights; and (iii) Assets or liabilities of the value greater than INR 5,000,000/- (Indian Rupees five million).
- 4.13.2.15 Acquisition of an entity or business.
- 4.13.2.16 Adoption and deviations to the Company's or Group Entity's business plans and annual budgets (other than deviations to the extent of 10% (ten per cent)).
- 4.13.2.17 Declaration of any dividend or distribution of profits or commissions to Shareholders, or Directors.
- 4.13.2.18 Adoption of, amendments to and deviating from the Promoters' share vesting plan, options granted or vested to the Promoters, any kind of employee stock option plan, stock appreciation plan,

- phantom plan or other similar plan by whatever name called..
- 4.13.2.19 Appointment and removal of statutory and internal auditors and changes in the Financial Year and accounting policies (other than as necessitated by Applicable Law).
 - 4.13.2.20 The commencement, withdrawal or settlement of litigation involving the Company or the Group Entities involving potential awards in excess of INR 5,000,000/- (Indian Rupees five million) or any litigation, dispute, notice relating to Key Employees.
 - 4.13.2.21 Change in signatories to the bank accounts.

4.14 Shareholders' Meetings. A general meeting of the Shareholders shall be convened by serving at least 21 (twenty one) calendar days' Notice to all the Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the general meeting; provided that a general meeting may be convened by a shorter Notice than 21 (twenty one) days with the Investor Consent subject to Applicable Law.

4.14.1 The quorum for a meeting of the Shareholders shall include the Investor or a nominee/representative of the Investor being present at the beginning of, and throughout, the meeting.

4.14.2 If a valid quorum is not present for any meeting of the Shareholders, the meeting shall automatically stand adjourned to the same day and time and at the same venue in the following week. If such a day is not a Business Day, the meeting shall be held on the next Business Day. If at such adjourned meeting also, no valid quorum is present, then the Shareholders present at such adjourned meeting (not being less than the number required under the 2013 Act) shall be deemed to constitute a valid quorum and the Company may proceed to discuss and decide on the matters on the agenda and any decisions so taken shall be binding on all the Shareholders. Provided that (i) no business or items not being part of the agenda of the original meeting shall be dealt with in such adjourned meeting; and (ii) no business concerning any of the Investor Protection Matters shall be approved except as specified in Section 4.13 (Investor Protection Matters) and (iii) no amendment shall be made to the Articles except in accordance with the provisions of Section 10.20 (Alteration of Articles) of this Agreement.

4.15 Exercise of Rights. The Promoters, the Company and the Group Entities undertake to take such action as may be necessary (including exercising their votes at Shareholders' meetings, Board meetings or any committees thereof) to give effect to the provisions of, and to comply with their obligations under, the Definitive Agreements.

4.16 Director's Insurance. The Company and the Group Entities shall and Promoters shall cause the Company and the Group Entities to obtain, and, at all times, at reasonable cost, as determined by the Board, maintain and have valid (i) Directors' and Officers' Liability Insurance for all Directors for such amount and on such terms as shall be

approved by the Board, and shall indemnify the Director(s) to the extent permissible by Applicable Law; (ii) General Business and Product Liability Insurance on terms reasonably acceptable to the Board; (iii) Key Management Insurance to the satisfaction of the Board; and (iv) Appropriate and adequate insurance covers to protect the Assets of the Company and/ the Group Entities.

The Company shall as immediately as practicable provide the Investor with copies of all insurance policies taken out by the Company and its Group Entities including without limitation copies of all extensions, modifications, renewals, purchase of new or additional insurance, communications received from insurers and proof of payment of premiums.

5 FURTHER ISSUE OF SHARES AND PRE-EMPTIVE RIGHT

5.1 **General.** Subject to (i) the valuation protection contained in SCHEDULE 6 and (ii) Applicable Law, in the event the Company proposes to issue any new Dilution Instruments, such issue of Dilution Instruments being approved in accordance with Section 4.13 (Investor Protection Matters), to any Person(s) (the "**Proposed Allottee(s)**"), the Company shall first offer such new Dilution Instruments to the Investor in the manner set out in Section 5.2 and in accordance with the provisions of the 2013 Act, in the manner agreed to by the Investor. In the event the Company proposes to issue Dilution Instruments to the existing Shareholders of the Company, such issue of Dilution Instruments being previously approved in accordance with Section 4.13 (Investor Protection Matters), the Investor will have a right, at its sole direction to (a) subscribe to its Pro Rata Share of the Dilution Instruments; or (b) subscribe to such number of additional Dilution Instruments unsubscribed by other Shareholders of the Company in addition to its Pro Rata Share of the issue offered at its sole discretion. If however, the Company proposes to issue Dilution Instruments to a third party without offering such Dilution Instrument to its Shareholders, such issue of Dilution Instruments being previously approved in accordance with Section 4.13 (Investor Protection Matters), then the Investor will have a right, at its sole discretion, to purchase all or a portion of the Dilution Instruments offered by the Company. In the event the Company proposes to issue Dilution Instruments to the Promoters of the Company for the purposes of maintaining the Promoter Minimum Shareholding pursuant to Section 6.1, such issue of Dilution Instruments being previously approved in accordance with Section 4.13 (Investor Protection Matters), the Investor will have a right, at its sole direction, to (a) subscribe to its Pro Rata Share of the Dilution Instruments; or (b) subscribe to such number of additional Dilution Instruments unsubscribed by the Promoters of the Company in addition to its Pro Rata Share of the issue offered.

5.2 **Procedure.** Unless otherwise agreed to by the Investor in writing, the offer of new Dilution Instruments shall be made in the manner set forth in this Section 5.2.

5.2.1 The Company shall deliver a written Notice ("**Offer Notice**") to the Investor stating: (i) its intention to offer such new Dilution Instruments; (ii) the number of such new Dilution Instruments to be offered; (iii) the price and terms, if any, upon which it proposes to offer such new Dilution Instruments; (iv) the number of new Dilution Instruments being offered to the Proposed

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Allottee(s); (v) the time period for subscribing to such new Dilution Instruments; and (vi) the Pro Rata Share of the Dilution Instruments to which the Investor is entitled in accordance with this Section 5.

5.2.2 By Notification to the Company within 30 (thirty) days ("Acceptance Period") after receipt of the Offer Notice, the Investor may elect to subscribe to all or part of its Pro Rata Share of the Dilution Instruments at the price and on the terms specified in the Offer Notice ("Acceptance"). Within 30 (thirty) days of communication of Acceptance, the Investor shall remit the subscription amount for all or part of its Pro Rata Share of the Dilution Instruments and the Company shall issue to the Investor all or part of its Pro Rata Share of the Dilution Instruments within 14 (fourteen) days of receipt of the subscription amount.

5.2.3 In a rights issue, if the Dilution Instruments are not subscribed to by the other Shareholders of the Company then the Investor will be entitled to subscribe to such unsubscribed portion of the Dilution Instruments offered by the Company in addition to its Pro Rata Share, provided that it is clarified that if a Promoter renounces his right to subscribe to such issue in favour of any other Promoter, then such portion which is renounced and subscribed to by the said other Promoter shall not be included when ascertaining the unsubscribed portion of the Dilution Instruments offered by the Company in such issuance. If the Dilution Instruments referred to in the Offer Notice are not elected to be subscribed to by the Investor within the Acceptance Period then the Company shall offer the same to other Shareholders of the Company. If the Dilution Instruments (in whole or part) referred to in the Offer Notice are not elected to be subscribed to by any of the Shareholders (in case of a rights issue) and/or the Investor as specified hereinbefore then the Company shall during the 60 (sixty) day period following the expiration of the period provided in this Section 5.2.3 offer such Dilution Instruments to any third party or parties approved by the Board. The Dilution Instruments shall be offered to a third party approved by the Board at a price not less than, and upon terms not more favourable than those specified in the Offer Notice. If the Company does not enter into an agreement for the subscription of the Dilution Instruments, which have been offered to and refused by the Investor and/or the other Shareholders of the Company within such period, or if such agreement is not consummated within the aforesaid 60 (sixty) days, the right provided under Section 5 shall be deemed to have revived and such Dilution Instruments shall not be offered without again complying with the provisions of this Section 5.2.

5.2.4 **Assignment.** The Investor shall be entitled to assign in whole or in part its right to subscribe to the Dilution Instruments, or such other alternate instrument that the Investor is entitled to subscribe to, to its Affiliates. The holding of the relevant Affiliate subscribing to the Dilution Instruments shall be considered to be part of the Investor holding for the purposes of this Agreement.

- 5.3 **Alternate Instruments.** The right of the Investor to subscribe to the Dilution Instruments shall extend to such other alternative instrument as may be issued in the event of any restriction under Applicable Law barring the Investor from subscribing to the Dilution Instruments so offered.
- 5.4 **Necessary Acts.** The Parties undertake to ensure that all actions necessary to give effect to this Section 5 will be taken as and when required.
- 5.5 **Group Entities.** The Parties agree that this Section 5 shall apply *mutandis mutatis* to issuance of new Dilution Instruments by the Group Entities. For the limited purposes of this Section 5.5, the term "Investor" as used in this Section 5 shall be replaced with "Company" and the Section shall be construed accordingly.

6 RESTRICTIONS ON TRANSFER OF SHARES

- 6.1 **Promoters' Undertaking.** As long as the Investor holds Minimum Investor Threshold and subject to Investor Consent, the Promoters undertake to collectively maintain and hold at all times a minimum of 51% (fifty one per cent) of the total paid-up share capital of the Company on a Fully Diluted Basis ("**Promoter Minimum Shareholding**"). As long as the Investor holds Minimum Investor Threshold in the Company, the Promoters shall not, without Investor Consent Transfer any Shares in the Company such that the collective shareholding of the Promoters in the Company falls below Promoter Minimum Shareholding. If the collective holding of the Promoters falls below the Promoter Minimum Shareholding, the Promoters agree to subscribe to additional Shares to ensure that their holding in the Company is not less than the Promoter Minimum Shareholding. Any issuance of fresh Shares in terms of this Section 6.1 shall be approved by Board. The Promoters shall subscribe to new Shares at such price which shall not be less than INR 2,150 (two thousand one hundred and fifty).
- 6.2 Subject to Section 6.1, as long as the Investor holds Minimum Investor Threshold, the Promoters undertake not to Transfer, or without the Investor Consent, Encumber its Shares (either directly or indirectly). The Promoters shall not do or omit to do any act which has the effect of undermining the underlying beneficial, fiduciary or legal rights and obligations of the Promoters or the Company or the Group Entities in relation to the Definitive Agreements. The Promoters agree that they shall not, without the Investor Consent, Transfer any Shares to any Person at a valuation of the Company that is lower than INR 2,150 (two thousand one hundred and fifty).
- 6.3 The Company and the Group Entities undertake not to register any Transfer or Encumbrance in violation of Sections 6.1 and 6.2. Any Transfer of Shares which is not in compliance with the provisions of this Agreement and any Transfer of Shares without the prescribed procedure under this Section 6 being followed shall be void and shall constitute a material breach.
- 6.4 However nothing in this Section 6 will be applicable to an inter-se Transfer of Shares by the Promoters who are natural persons, provided that such Transfer is not at a price less than INR 2,150 (two thousand one hundred and fifty). Any inter-se Transfer

of Shares by the Promoters at a price less than INR 2,150 (two thousand one hundred and fifty) shall be subject to Investor Consent. It is hereby clarified that any Transfer by the Promoters not covered above will be bound by all the restrictions in this Agreement.

- 6.5 **Transfer by the Investor.** The Investor Shares shall be freely Transferrable without any restrictions and with or without rights attached to such Investor Shares as may be determined by the Investor. The Company, Group Entities and the Promoters undertake to do all reasonable acts and deeds as may be necessary to give effect to any Transfer of the Investor Shares including providing representations, warranties and indemnities which are no less than those provided to the Investor in the Definitive Agreements. The Promoters, Group Entities and Company shall facilitate and co-operate with any such Transfer including any due diligence that may be conducted by a proposed purchaser and provide all necessary information relating to the Company and Group Entities to such purchaser.
- 6.6 **Deed of Adherence.** No Transfer by any Shareholder under this Agreement, excluding a Transfer by the Investor to its Affiliates, shall be complete and effective unless the purchaser of the Shares from such Shareholder executes a Deed of Adherence incorporating the applicable principles specified in SCHEDULE 2 and agreeing to be bound by the terms of this Agreement in accordance therewith, unless such purchaser is already a party to this Agreement. Any permitted transferee of the Shares held by the Promoters shall be deemed to be Promoters and any permitted transferee of Shares of the Investor, except the Promoters, shall be deemed to be the Investor for the purpose of this Agreement.
- 6.7 **Transfer by other Shareholders.** The other Shareholders undertake not to Transfer any of the Shares held in the Company without the Investor Consent and consent of the Promoters.

7 RIGHT OF FIRST REFUSAL

7.1 Investor Right of First Refusal.

7.1.1 Subject to Applicable Law and as long as the Investor holds Minimum Investor Threshold, if any of the Promoters and/ or any of the Shareholders of the Company decide to Transfer ("**Selling Shareholder**") all or part of the Shares held by such Selling Shareholder ("**Sale Shares**") to any Person, then subject to Section 6.1, Section 6.2, Section 6.3 and Section 6.4, such Selling Shareholder hereby unconditionally and irrevocably grants to the Investor a prior right to purchase all or a portion of the Sale Shares at the same price and on the same terms and conditions as those offered to such Person ("**Investor ROFR**").

7.1.2 Upon a Selling Shareholder receiving a proposal from any Person for purchase of Shares held by such Selling Shareholder in the Company, which it intends to accept ("**Proposal**"), the Selling Shareholder shall immediately Notify the Investor of the Proposal ("**Investor ROFR Notice**"). The Investor

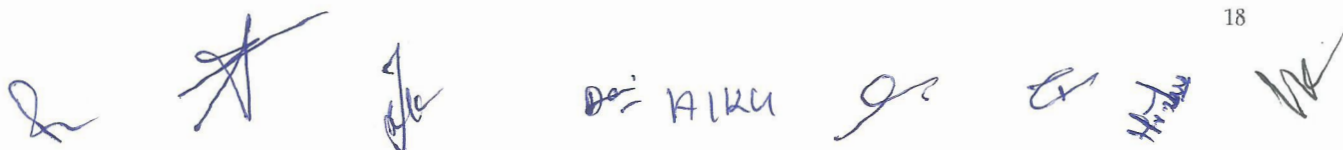
ROFR Notice shall set forth the name and other material particulars of the proposed transferee, the number of Sale Shares, the price per Sale Share and other terms of the Transfer and an undertaking from the Selling Shareholder(s) stating that the offer is *bona fide*. The Proposal and any other document executed by the Selling Shareholder and/or the proposed transferee (whether binding or non-binding by whatever name called) in relation to the Proposal shall also be annexed to the Investor ROFR Notice. The Selling Shareholder(s) shall ensure that such term sheet explicitly states that such transaction is subject to (i) the Investor ROFR under Section 7.1, and (ii) if the Selling Shareholder is a Promoter, the Investor Tag Along Right under Section 7.2 as applicable.

7.1.3 The Investor may at its sole discretion exercise the Investor ROFR with respect to all or a portion of the Sale Shares by a written Notice to the Selling Shareholder(s) within 30 (thirty) days of receipt of the Investor ROFR Notice. If the Investor exercises the Investor ROFR, the Selling Shareholder(s) shall be bound to sell all or a portion of the Sale Shares to the Investor and the Investor shall purchase such Sale Shares within a period of 45 (forty five) days from the date of receipt of the Investor ROFR Notice. In the event the Investor does not exercise the Investor ROFR, the Selling Shareholders may Transfer the Sale Shares to the proposed transferee detailed in the Investor ROFR Notice which shall not be at a price lower than the price per Share, and on terms and conditions more favourable than those specified in the Investor ROFR Notice within 45 (forty five) days of Notification of rejection of the Investor ROFR. If the Selling Shareholder(s) do not complete the transfer within 45 (forty five) days of Notification of rejection of the Investor ROFR, then they shall be bound to repeat the procedure set out in this Section 7.1.

7.1.4 The Company and the Promoters shall ensure that a right of first refusal similar to the one set out in this Agreement shall be exercisable by the Company, and/or by the Investor if the Investor and Promoters hold shares directly in the Group Entities, and shall be exercisable at the sole discretion of the Company subject to Investor Consent.

7.2 Investor Tag Along Right.

7.2.1 Subject to Applicable Law, in the event a Promoter ("Selling Promoter") decides to Transfer all or any of the Shares held by the Selling Promoter ("Sale Shares") in the Company to any Person ("Proposed Transferee") such that the collective shareholding of the Promoters in the Company falls below the Promoter Minimum Shareholding, then such Selling Promoter shall provide the Investor a written Notice of the Transfer of Sale Shares described hereinabove ("Tag Along Notice") and shall obtain Investor Consent for such Transfer. The Investor shall have the right but not the obligation to require the Selling Promoter to ensure that the Proposed Transferee shall purchase pro rata number of Investor Shares held by the Investor on the same terms and conditions offered to purchase the Sale Shares, as specified in the Tag Along Notice. The Selling Promoter shall be entitled to Transfer the Sale Shares in the Company to a Proposed Transferee only if the Tag Along

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Notice contains an offer from the Proposed Transferee to purchase a pro rata number of Investor Shares held by the Investor. Provided that if the Transfer of Shares by the Promoter(s), either through a single Transfer or a series of Transfers, results in a change of Control in the Company or in the event when at least 51% (fifty one per cent) of the Shares of the Company as on the Closing Date is held by a third party, then the Investor will have the right but not the obligation to sell all the Investor Shares as a part of such sale on the same terms and conditions specified in the Investor ROFR Notice (the "Tag Along Right").

- 7.2.2 If the Investor desires to exercise its Tag Along Right, it shall provide the Selling Promoter(s) a written Notice along with the details of number of Investor Shares it proposes to Transfer ("Tag Along Shares") within 30 (thirty) days of the receipt of the Tag Along Notice, and upon giving such Notice, the Investor shall be deemed to have effectively exercised the Tag Along Right. If the Investor exercises the Tag Along Right, the Transfer of the Shares by the Selling Promoter(s) to the Proposed Transferee shall be conditional upon such Proposed Transferee acquiring the Tag Along Shares prior to the acquisition of the Sale Shares in accordance with this Section 7.2, on the same terms and conditions set forth in the Tag Along Notice, provided that: (i) the Investor shall not be required to give any representations and warranties for such Transfer, except those relating to title to the Investor Shares; and, (ii) the Investor shall be entitled to receive the cash equivalent of any non-cash component of the consideration received by the Selling Promoter(s).
- 7.2.3 To the extent that the Investor exercises its Tag Along Right in accordance with the terms and conditions set forth in Section 7.2, the number of Shares of the Company that the Selling Promoter(s) may sell in the proposed Transfer shall be correspondingly reduced.
- 7.2.4 The Tag Along Shares shall be Transferred to the Proposed Transferee prior to the Transfer of Shares of the Company by the Selling Promoter(s) and such transaction will be completed simultaneously with respect to both the Investor and the Selling Promoter(s).
- 7.2.5 If the proposed Transfer is not consummated by the Selling Shareholder within a period of 45 (forty five) days from the date of Notification of the rejection of the Investor ROFR Notice in Section 7.1.1 then, Selling Shareholder shall not sell any of the Shares held by it in the Company unless the Selling Shareholder complies afresh with the requirements laid down under Section 7.1 and 7.2 above.
- 7.3 **Failure to Comply.** Any Transfer made in violation of the requirements prescribed under this Agreement shall be null and void *ab initio*.
- 7.4 **No avoidance of restrictions.** The Parties agree that the Transfer restrictions in this Agreement and in the Articles shall not be capable of being avoided by the holding of

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Shares indirectly through an entity that can itself be sold in order to indirectly dispose of an interest in the Shares free of such restrictions.

8 EXIT

8.1 The Company and the Promoters shall provide an exit to the Investor by way of following exit options on or before the Drop Dead Date.

8.1.1 **Qualified IPO.** The Company shall endeavour to provide an exit to the Investor by way of completing a Qualified IPO on or before the Drop Dead Date, such that the Investor can upon sale of its shareholding in the Company receive at least a Minimum Return on its investment. The Investor shall have the right but not the obligation to offer all or any of the Investor Shares in priority to the Promoters and all other Shareholders.

8.1.2 **General IPO Terms.** Any Public Offer shall include or be subject to the following terms.

8.1.2.1 Public Offer may be either through a new issue of Shares of the Company or an offer for sale of the Shares held by the Shareholders of the Company or any other permissible under Applicable Law. The Promoters shall not unreasonably withhold approval and shall do all acts and deeds reasonably required to effectuate such Public Offer.

8.1.2.2 Cost of the Public Offer including in relation to any offer for sale will be borne by the Company. In the event Applicable Law does not permit the Company to bear the entire cost in relation to any offer for sale, the Promoters and the Investor shall bear such expenses, as are required by Applicable Law to be borne by them in proportion to their shareholding offered in such Public Offer.

8.1.2.3 Subject to Applicable Law, the Investor will have the right but not the obligation to offer, for sale through the Public Offer, all or any of the Investor Shares in such proportion above its pro rata offer requirement or in priority to the other Shareholders as it deems fit. The Investor has the right to offer up to 100% (one hundred per cent) of the Investor Shares in the Public Offer in addition or along with issuance of new Shares by the Company.

8.1.2.4 In the event the Public Offer is by way of offer for sale, then the Shareholders, other than holders of the Investor Shares, shall offer their shareholdings on a pro rata basis to meet the minimum requirements for listing.

8.1.2.5 The Promoters shall not offer any Shares held by them in the Company for sale except as may be required by Applicable Law (i) as a condition for obtaining listing on any Stock Exchange; or (ii) to ensure that minimum public holding requirements are satisfied.

8.1.2.6 The Public Offer will be underwritten at least to the extent required under Applicable Law.

8.1.2.7 The shareholding of the Investor shall not be subject to any lock-in unless specified under Applicable Law.

- 8.1.2.8 The Investor shall not be deemed to be 'promoter' or part of the 'promoter group' in a Public Offer, or any documents (including but not limited to the prospectus) related thereto. Investor shall not be considered or deemed to be a "promoter" of the Company or any of the Group Entities.
- 8.1.2.9 All advisors/consultants to the Public Offer including the book running lead managers, underwriters, bankers, counsel and transfer agents shall be appointed only with the consultation of the Investor and Investor Consent.-
- 8.1.2.10 The Shares will be listed on the Stock Exchanges.
- 8.1.2.11 **Shareholder Consent.** In the event a majority of the Board and the Investor approves a Public Offer, every Shareholder of the Company shall provide and the Company shall cause such Shareholders to provide, necessary approvals and consents reasonably determined by the Board to be necessary in order to effect such Public Offering.
- 8.1.2.12 If the Investor Shares are converted into Equity Shares pursuant to a proposed Public Offer and the Company fails to complete such Public Offer or if the Shares of the Company are not listed on Stock Exchanges due to any reason whatsoever within 6 (six) months from such conversion, the Parties agree that all the rights available to the Investor owing to its shareholding in the Company under this Agreement shall continue to be available to the Investor. The Parties undertake to support any decisions and actions required by the Investor to give effect to the provisions herein contained including by exercise of their voting and other rights. The decisions and actions that the Investor may require, without limitation, include:
- (i) subject to Applicable Law, modification and/or reclassification of the Investor Shares into Shares of a different class which rank in preference to the remainder of the issued, paid-up and subscribed Share capital. Upon such modification and/or re-classification, the Investor Shares shall, subject to Applicable Laws, have all the rights that were attached to the Investor Shares immediately prior to the conversion referred to above;
 - (ii) entry into any contractual arrangements for the purposes of ensuring that the rights attached to the Investor Shares post such conversion are the same as those attached to the Investor Shares immediately prior to the conversion;
 - (iii) alteration of the Articles to include all of the rights attached to the Investor Shares that were so attached immediately prior to the conversion referred to above; and,
 - (iv) all such other measures as shall be necessary to restore the rights enjoyed by the Investor prior to conversion of the Series A CCPS into Equity Shares.
- 8.1.3 **Strategic Sale.** The Company and the Promoters shall endeavor to provide an exit to the Investor by way of a strategic sale which ensures that the Investor realises a Minimum Return on its

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investment on or before the Drop Dead Date subject to the following conditions.

8.1.3.1 The Promoters and the Company, shall deliver a Notice to the Investor (the "Strategic Sale Notice") setting out (i) the exact nature of the transaction proposed; (ii) identity of the purchaser; (iii) time required to close; and, (iv) such other material terms of the strategic sale as the Investor might request.

8.1.3.2 Investor shall be entitled to participate in the strategic sale in priority to all the Shareholders of the Company.

8.1.3.3 The Investor shall not be required to provide any representations and warranties for such Transfer, except those relating to title to its Shares and the legal standing of the Investor (including solvency and residential status), and due authority and capacity to hold and Transfer the Shares held by them free and clear of any Encumbrances.

8.1.3.4 If the strategic sale is by way of stock swap then the Investor will be entitled to receive the value of the stock of the third party entity.

8.1.3.5 The costs and expenses of the strategic sale (including stamp duties and all Taxes other than Taxes on net income of the Investor) shall be borne by the third party purchaser or the Company, in the event that the third party purchaser refuses to bear such costs.

8.2 If (i) the Company is unable to provide holders of Investor Shares with a successful exit under Section 8.1 above by the Drop Dead Date, or July 31, 2020 in the case of a Third Party Sale referred to in Section 8.2.3, or (ii) if there is a material breach of the Definitive Agreements at any time, then the Investor shall be entitled to the following exit rights, exercisable at the Investor's sole discretion.

8.2.1 **Liquidity IPO.** Investor shall have the right, without prejudice to its rights under this Agreement, to require the Company to, and the Company shall, list the Investor Shares on any Stock Exchange, through an offer for sale or fresh issue of Shares or such other manner as requested by the Investor ("Liquidity IPO"), at a final issue price per Share which will provide the Investor with at least the Minimum Return and other terms as determined by the Investor upon receiving a written opinion of a reputed merchant banker stating that the Liquidity IPO is feasible. The Promoters shall do all things necessary to support the Liquidity IPO and if required by the Investor also offer such number of Shares held by them for the purposes of achieving the listing as may be necessary.

8.2.2 **Put Option.** The Investor shall have the right, exercisable at its sole discretion to require all or any of the Company or the Promoters or a bona fide third party nominated by the Promoters and acceptable to the Investor to purchase all or some of the Investor Shares. The Company and the Promoters will

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purchase the Investor Shares at such a price that upon purchase of Investor Shares by the Company and the Promoters, the Investor will realize a net price which is at least equal to the price calculated on the basis of return on equity as per the latest audited balance sheet at the time of exit, subject however to a higher price not being permissible under Applicable Law, provided that if the Investor exercises this right pursuant to a material breach then the purchase price shall be a price which will provide the Investor with at least the Minimum Return subject to the provisions of Applicable Law. For the purposes of clarity it is agreed that the Investor shall be entitled to exit at the maximum price possible and calculated in accordance with internationally acceptable principles, at the time of exit, subject however to Applicable Law. The Company or the Promoters or the bona fide third party nominated by the Promoters and acceptable to the Investor will be bound to complete such purchase within 30 (thirty) days from the date of receipt of a Notice from the Investor under this Section 8.2.2.

8.2.3 **Third Party Sale.** The Investor has the right to require the Company to provide an exit to the Investor on such terms and conditions as may be acceptable to the Investor and at such a price that upon sale of the Investor Shares the Investor shall realize at least the Minimum Return. The Company shall, and the Promoters shall cause the Company, to identify a *bona fide* third party purchaser or group of purchasers ("**Third Party Purchaser**") acceptable to the Investor to purchase all of the Investor Shares, without any restrictions whatsoever, as are mentioned in the Strategic Sale Notice in the manner provided in Section 8.1.3. For the purposes of clarity it is agreed that the Investor shall be entitled to exit at the maximum price possible and calculated in accordance with internationally acceptable principles, at the time of exit, subject however to Applicable Law. The sale under this Section 8.2.3 shall be facilitated by the Company and the Promoters within 30 (thirty) days from the date of receipt of a Notice from the Investor under this Section 8.2.3.

8.2.4 **Drag Along Right of the Investor.**

8.2.4.1 The following events shall be treated as events that will entitle the Investor to exercise its Drag Along Right under this Agreement ("**Drag Events**"):

- (i) a petition for bankruptcy has been filed by a creditor for default in making any payments due by the Company and such petition has not been dismissed, stayed or if admitted, not vacated within 1 (one) year of such petition being filed; or,
- (ii) occurrence of a material breach and its continuance after the expiry of Cure Period in the event such breach is capable of being cured; or,
- (iii) if the Qualified IPO has not taken place within the Drop Dead Date, or a Liquidity IPO has not occurred in terms of this Agreement or a strategic sale has not occurred in terms of this Agreement or a Third Party Sale has not taken place

by July 31, 2020, or the Investor are unable to achieve an exit in terms of Section 8.2.2 (Put Option).

8.2.4.2 **Drag Sale.** Upon occurrence of a Drag Event, the Investor shall have the right, but not the obligation ("**Drag Along Right**"), to compel the other Shareholders, including the Promoters (the "**Dragged Shareholders**") to either: (i) sell up to 100% (one hundred per cent) of their Shares ("**Drag Along Shares**") along with the Investor to a third party, including a competitor ("**New Buyer**"); (ii) merge or consolidate the Company with any other entity or (iii) sell all or substantially all of the Assets or Proprietary Rights of the Company to a third party ("**Drag Sale**"). If the Investor exercises the Drag Along Right, the Dragged Shareholders shall be required to sell the Drag Along Shares such that the Investor can upon completion of the Drag Sale receive an IRR of at least 15% (fifteen per cent) on its investment and on such other terms and conditions as determined by the Investor, provided that if the Investor exercises this right pursuant to a material breach then the Dragged Shareholders shall be required to sell the Drag Along Shares such that the Investor can upon completion of the Drag Sale receive the Minimum Return.

8.2.4.3 **Drag Sale Procedure.** The Investor shall determine the nature of the Drag Sale transaction and process for accomplishment of the same. All Dragged Shareholders of the Company shall be bound to participate in such Drag Sale and shall take all necessary and desirable actions for consummation of the Drag Sale, including appointing the Investor as their attorney-in-fact to do the same on their behalf and undertaking those actions set out in Section 8.2.4.4. If the Drag Sale is a sale of the business of the Company, following such Drag Sale, the Company shall distribute the available surplus, subject to the Liquidation Preference available in respect of the Series A CCPS, after meeting all outstanding liabilities.

8.2.4.4 Upon the exercise of Drag Along Right by the Investor pursuant to Section 8.2.4.1, the Investor 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:

- (i) simultaneously with the Investor sell such number of their Shares (as determined by the Investor and set out in the Drag Sale Notice) free of any Encumbrance on terms set out in the Drag Sale Notice;
- (ii) take all necessary actions (including such action as may be reasonably requested of them by the Investor) to cause the consummation of such transaction, including: (a) exercising the voting rights attached to their Shares in favor of such transaction; (b) not exercising any approval or voting rights

- in connection therewith in a manner contrary to the closing of the Drag Sale; and (c) appointing the Investor, as their attorney-in-fact to do the same on their behalf; and ,
- (iii) undertake to co-operate completely with the Investor upon receipt of a Drag Sale Notice including but not limited to the Promoters agreeing to continue to be in the employment of the Company for such period as may be reasonably requested by the New Buyer, timely execution and delivery of such agreements and instruments and other actions reasonably necessary to co-operate with the New Buyer to provide such access and information as may be requested by the New Buyer, and providing such representations, warranties, covenants and indemnities, as may reasonably be required by the New Buyer.

8.2.4.5 **Delivery of Drag Along Shares.** The Dragged Shareholders shall deliver the share certificates in respect of the Drag Along Shares, to the Company at least 30 (thirty) days before the proposed closing date of such sale, along with the transfer forms duly filled in and if the Shares have been dematerialized, the Dragged Shareholders shall issue appropriate instructions to their depository participant to give effect to the Transfer in accordance with the Drag Sale Notice.

8.2.4.6 If a Dragged Shareholder fails, refuses or is otherwise unable to comply with its obligations in this Section 8.2, the Company shall have the authority and be obliged to designate a Person to execute and perform the necessary Transfer on such Dragged Shareholder's behalf. The Company may receive and hold the purchase consideration in trust for the Dragged Shareholder and cause the New Buyer to be registered as the holder of the Drag Along Shares being sold by the relevant Dragged Shareholder. The receipt by the Company of the purchase consideration shall be a good discharge to the New Buyer (who shall not be bound to see to the application of this amount).

8.2.4.7 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 Section 8.2.4.6 above, the New Buyer may serve a default Notice on the relevant defaulting Dragged Shareholder and send copies of such default Notice to the Investor and the Company. Upon receipt of a default Notice (unless such non-compliance by the relevant defaulting Dragged Shareholder is remedied to the reasonable satisfaction of the New Buyer), the defaulting Dragged Shareholder shall not be entitled to exercise any of its powers or rights in relation to the Drag Along Shares of the Dragged Shareholder Transferred to the Investor including voting right attached thereto or right to participate in the profits of the

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Company.

8.2.4.8 **Actions to be taken.** In the event the Investor exercises a Drag Along Right and calls for a Drag Sale, then each Dragged Shareholder hereby agrees with respect to all Shares which it owns or over which it otherwise exercises voting or dispositive authority:

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

8.2.4.9 **Investor Actions.** In addition to exercising the Drag Along Right, the Investor shall have the right to take any and all actions that it may deem fit to protect its interest in the Company.

8.3 In the event the Investor exercises the right to exit the Company under Section 8.1 or 8.2, any incremental shares that need to be issued to the Investor to provide the return to the Investor set out in the relevant Sections of this Agreement, shall be without limitation by way of any or all of the following (i) an adjustment of the Conversion Ratio or conversion price of the Series A CCPS; (ii) issue of additional Shares to the Investor at the Lowest Permissible Price; (iii) Transfer of Shares held by the Promoters to the Investor at the Lowest Permissible Price under Applicable Law (iv) payment of due consideration to the Investor at an agreed price by the Promoters; (v) buy back of Shares held by Promoters and other Shareholders; (vi) reduction of the sale proceeds receivable by the Promoters; or, (vi) by taking such measures as may be necessary to ensure that the Investor receives at least the

Minimum Return, unless expressly specified otherwise in this Agreement. However, the Investor will be entitled to realise at least the Minimum Return other than by means of affecting the personal assets of the Promoters which shall not include their shareholding in the Company and Group Entities.

8.4 Upon occurrence of an event described in Sections 8.1.1, 8.1.3, 8.2.1, 8.2.2, 8.2.3 and 8.2.4 above, the Company and Promotes shall ensure that in no event shall the IRR guaranteed to any investor and / or Shareholder at any time in the future by the Company and / or the Promoters, exceed the respective return guaranteed to the Investor in case of each such event.

8.5 The Company shall, subject to Applicable Law, ensure that the Investor has the right to offer the Investor Shares as the underlying security for any issuance of derivative instruments by the Company to be listed on a stock exchange in India or abroad.

9 TERMS OF ISSUANCE OF SERIES A CCPS.

9.1 The Series A CCPS are issued on such terms including Liquidation Preference as set out in SCHEDULE 6 of this Agreement.

10 ADDITIONAL COVENANTS

10.1 **Non-Pledging of Investor Shares.** The Investor shall not be required to pledge its shareholding in the Company and the Group Entities or invest any additional amount in the Company and the Group Entities or offer any guarantee or collateral security in respect of any borrowing by the Company and the Group Entities.

10.2 The Investor Directors and the Investor shall not be obliged to present or refer to the Company and its Group Entities any potential transaction or matter which such Investor Director or Investor acquires knowledge of and which may be a corporate opportunity for the Company and its Group Entities, and the Company and the Promoters shall waive any claim that such corporate opportunity should have been presented to the Company and its Group Entities.

10.3 The Company further agrees that the Investor shall be free to use in its internal business any information it has obtained or will obtain from the Company and its Group Entities. The Parties further acknowledge and agree that the Investor shall have no duty to disclose information to the Company.

10.4 For the avoidance of doubt, without prejudice to the rights of the Investor in this Agreement, Investor shall not be required or obliged to provide value-added activities or assistance or participate in the management of the Company and the Group Entities.

10.5 **Issue of Derivatives.** The Company and the Promoters shall ensure that the Investor and the Company have the right to offer the Investor Shares as underlying security for any issuance of derivative instruments by the Company to be listed on a Stock Exchange in India or elsewhere.

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10.6 **Applicability.** The Parties agree that the obligations and rights of the Company and the Promoters set out in this Agreement shall also extend to each of the Group Companies of the Company. The Parties further agree that the rights of the Investor set out in this Agreement shall also extend to the Group Companies and shall be applicable *mutatis mutandis* to each of the Group Companies which shall be exercised at the sole discretion of the Investor.

10.7 **Investor not "promoter".**

10.7.1 The Investor is not a 'promoter' of the Company or the Group Entities. The Company and the Group Entities shall not under any circumstances declare, publish or disclose the Investor in any document related to a Public Offer, accounts or any public disclosures as "promoters" of the Company and the Group Entities, and the Investor Shares shall not be subject to lock-in restrictions as may be applicable to promoter held shares under the Applicable Law.

10.7.2 The Company, Group Entities and Promoters undertake to take all necessary steps to ensure that the Investor shall not be considered as a promoter of the Company or the Group Entities in any Public Offer related filing made by the Company, Group Entities or the Promoters. The Investor shall have the right to review, approve and seek appropriate amendments to all documents related to a Public Offer, accounts or public disclosures to ensure compliance with provisions of this Section 10.7.

10.8 **Non-Compete.**

10.8.1 The Promoters shall devote substantial time and attention to the Business. The Promoters undertake that they shall not, during the term of this Agreement, directly or indirectly, initiate any new activities or expansions related to the Company or a Group Company's existing or proposed line of Business (as the case may be) through any vehicle, including other companies where they have an interest. The Promoters undertake that such new initiatives, if undertaken, shall be only through the Company or a Group Company.

10.8.2 The Promoters shall not engage in, directly or indirectly, and whether 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 or in any other manner whatsoever, for profit or otherwise in any other venture or business which competes with the whole or any part of any Business being carried on or proposed to be carried on by the Company or any of the other Group Companies without the Investor Consent. The restrictions in this Section 10.8.2 shall not be applicable to (i) public listed companies where the Promoters hold not more than 5% (five per cent) of the paid up capital through purchases on a stock exchange; and (ii) honorary posts held by the Promoters in other entities subject to Investor Consent and provided that (a)

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such entities are not Controlled by the Promoters; and, (b) the Promoters are entitled to only a nominal remuneration for such posts held in the entities; and, (c) the Promoters shall not divert any business that could be undertaken by the Company or any of the Group Companies to any other entity.

10.8.3 The Promoters agree and acknowledge that no separate non-compete fees is payable to the Promoters, and the consideration for the non-compete restriction contained herein is deemed to have been received under this Agreement and mutual covenants in the Definitive Agreements. The Promoters also acknowledge the receipt and sufficiency of such consideration received towards the non-compete restriction contained herein.

10.8.4 The Company and the Promoters shall ensure that each of the Promoters and Key Employees execute non-compete and non-solicitation agreement in such form as shall be approved by the Investor. The Promoters and Key Employees shall under the non-compete and non-solicitation agreement so executed undertake not to either directly or indirectly, participate in businesses which compete with the Business carried on by the Company or any of its Group Entities for at least 2 (two) years after the termination of employment/association with the Company or Group Entity. The Promoters shall not permit the Key Employees to devote substantial time and attention in any other business other than the Business of the Company.

10.8.5 **Investor's Right to Conduct Business.** The Investor and its Affiliates invest in numerous companies, some of which may compete with the Company or the Group Entities. The Company, Group Entities and the Promoters confirm that they will not have any objection to the Investor or any of its Affiliates investing in equity, entering into a joint venture, or collaborating with any company/entity in the same or allied field (as the Business) in India or elsewhere. The Promoters, the Company and the Group Entities shall provide the necessary no objection certificate, if requested by the Investor, as and when required. Further, neither the Investor nor any of its Affiliates shall be liable for any claim arising out of, or based upon any action taken by any of their officers or representatives in assisting any such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company or the Group Entities.

10.9 Non-Solicitation

10.9.1 The Promoters acknowledge that the ability of the Company and the Group Entities to conduct and operate the Business depends upon its ability to attract and retain skilled people, customers, suppliers and that the Company and the Group Entities have and will continue to invest substantial resources in training such people. Each Promoter jointly and severally covenants and agrees that the Promoters shall not:

10.9.1.1 directly or indirectly, partner with or enter into any activity or hire or attempt to hire for any purpose whatsoever (whether as an employee,

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- consultant, advisor, independent contractor, partner or otherwise) any employee of the Company and the Group Entities or any person who was an employee of the Company and the Group Entities at any time during the last 12 (twelve) months, and shall use its best efforts to prevent any of its related Persons from taking any such action;
- 10.9.1.2 unless required under Applicable Law, disclose to any third party the names, backgrounds or qualifications of any employees of the Company and the Group Entities or otherwise identify them as potential candidates for employment;
- 10.9.1.3 personally or through any other Person, approach, recruit or otherwise solicit employees of the Company and the Group Entities to work for any other employer; and,
- 10.9.1.4 persuade any Person which is a client/customer of the Company and the Group Entities, to cease doing business or to reduce the amount of business which any such Person has customarily done or might have proposed doing with the Company and the Group Entities.
- 10.9.2 The Parties acknowledge and agree that the above restrictions are considered reasonable for the legitimate protection of the business and goodwill of the Company and the Group Entities, but in the event that such restriction shall be found to be void, but would be valid if some part thereof was deleted or the scope, period or area of application were reduced, the above restriction shall apply with the deletion of such words or such reduction of scope, period or area of application as may be required to make the restrictions contained in this Section 10.9 valid and effective. Notwithstanding the limitation of this provision by any Applicable Law for the time being in force, the Parties undertake to at all times observe and be bound by the spirit of this Section 10.9. Provided however, upon revocation, removal or diminution of the Applicable Law or provisions, as the case may be, by virtue of which the restrictions contained in this Section 10.9 were limited as provided hereinabove, the original restrictions would stand renewed and be effective to their original extent, as if they had not been limited by the law or provisions revoked.
- 10.10 **Confidentiality.** Each of the Parties shall and shall ensure to their best efforts that their respective employees, directors, successors, assigns and representatives including the Investor Directors and Investor Alternate Directors, maintain confidentiality regarding the contents of this Agreement, information pertaining to the other Parties, and the Business. The Parties shall be permitted to disclose all aspects of this transaction to their investment bankers, accountants, legal counsel and in so far as it is disclosed in each case only where such Persons are under appropriate nondisclosure obligations imposed by professional ethics, law or contracts. Nothing contained herein shall affect the ability of the Parties to make disclosure under Applicable Law. The Investor may disclose all confidential information about the Company and the Group Entities to its Affiliates, investors, lenders, advisors and any potential purchasers of Shares or Assets of the Company and the Group Entities.
- 10.11 **Voting.** The Parties agree that they shall vote on all of their Shares, give or withhold any consent or approval requested of them, and generally exercise their best efforts

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on a *bona fide* basis to cause the Company and the Group Entities to perform and comply with their obligations under the Definitive Agreements, subject to compliance with Applicable Laws. The rights of the holder of Series A CCPS with respect to the decisions to be taken in relation to the Investor Protection Matters are intrinsic to the subscription and allotment of the Series A CCPS. In the event the Series A CCPS holder is unable to exercise such voting rights on account of the restrictions under Applicable Law, no decision shall be taken with respect to the Investor Protection Matters without the prior written consent of the Series A CCPS holder in accordance with Section 4.13 and Section 10.20 of this Agreement, as the case may be.

10.12 Restricted Transfers. The Promoters hereby covenant that they shall ensure to cause the Company and the Group Entities not to record any Transfer or agreement or arrangement on its books or register and shall cause not to recognize or register any equitable or other claim to, or any interest in Shares which have been Transferred in any manner other than as permitted under this Agreement. It is agreed to by the Promoters that failure to ensure the Transfer of Shares are in accordance with the terms of this Agreement shall be deemed to be a breach of this Agreement by the Promoters.

10.13 Foreign Corrupt Practices. The Company and the Group Entities shall not and shall not permit any of their directors, officers, managers, employees, independent contractors, representatives or agents to promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, any official, in each case, in violation of the Foreign Corrupt Practices Act, 1977 ("FCPA"), the U.K. Bribery Act, 2010 or Prevention of Corruption Act, 1988 ("PCA") or any other applicable anti-bribery or anti-corruption law to which the Company, Group Entities and/or Investor is a subject. The Company and the Group Entities further represent that they shall cease all of their activities, as well as remedy any actions taken by the Company, Group Entities or any of their respective directors, officers, Promoters, managers, employees, independent contractors, representative or agents in violation of the FCPA, the U.K. Bribery Act, 2010 or the PCA or any other applicable anti-bribery or anti-corruption law to which the Investor and Company and Group Entities is a subject. The Company and the Group Entities further represent that they shall maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, 2010 or the PCA or any other applicable anti-bribery or anti-corruption law to which the Investor and the Company and the Group Entities is a subject. Company and the Group Entities shall work against corruption in all its forms, including extortion and bribery.

10.14 Environmental, Social and Governance Compliance.

10.14.1 The Company and the Group Entities shall, at all times, ensure that they:

10.14.1.1 provide safety and healthy working conditions for their employees and contractors;

10.14.1.2 encourage the efficient use of natural resources and promotes protection of the environment;

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- 10.14.1.3 treat all employees fairly in terms of recruitment, progression, remuneration and conditions if work, irrespective of gender, race, color, religion, language, disability, political opinion, age or national/social origin;
- 10.14.1.4 provide forums for employees to present their views to the management;
- 10.14.1.5 take account of the impact of their operations on the local community and seeks to ensure that potentially harmful occupational health, safety, environmental and social effects are properly assessed, addressed and monitored; and,
- 10.14.1.6 uphold high standards of business integrity and honesty, and operates in accordance with local Applicable Laws and international good practice (including those intended to fight extortion, bribery and financial crime).

10.14.2 The Company will not participate in any activities which involve:

- 10.14.2.1 production or activities involving harmful or exploitative forms of forced labour or child labour;
- 10.14.2.2 production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phase-out's or bans, such as (i) pharmaceuticals, pesticides, and herbicides, (ii) ozone-depleting substances, (iii) polychlorinated biphenyls and other hazardous chemicals, (iv) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and (v) trans-boundary trade in waste or waste products;
- 10.14.2.3 production of or trade in weapons and munitions, including paramilitary materials;
- 10.14.2.4 production of or trade in alcoholic beverages, excluding beer and wine;
- 10.14.2.5 production of or trade in tobacco;
- 10.14.2.6 gambling, casinos, and equivalent enterprises;
- 10.14.2.7 production of or trade in radioactive materials, including nuclear reactors and components thereof;
- 10.14.2.8 production of, trade in, or use of un-bonded asbestos fibers;
- 10.14.2.9 commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests; and,
- 10.14.2.10 marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.

10.15 The Company and the Promoters undertake on a best efforts basis to report to the Investor, any violation of Sections 10.13 and 10.14 within 60 (sixty) days of the occurrence of such breach.



- 10.16 **Operating Company.** The Company, Group Entities and the Promoters jointly and severally undertake to make best efforts to ensure that each of the Company and the Group Entities, subject to Applicable Law and requirements thereunder, continue to be an operating company so long as the Investor holds any Shares. Company and the Group Entities shall at all times ensure that they are located in, have significant business activity in, or have or be expected to have a nexus to, the Indian subcontinent.
- 10.17 **Compliance Officer.** The Company shall appoint one of the Promoter Directors as the compliance officer ("**Compliance Officer**"). The Compliance Officer shall be responsible to the Company as well as the Group Entities for the conduct of its affairs, ensuring compliance by the Company and the Group Entities of Applicable Law and shall be considered the officer in default for the purposes of the 2013 Act. The Company shall ensure that appropriate filings are made to record the appointment of the Compliance Officer within 60 (sixty) days of such appointment.
- 10.18 **Big Six Auditors.** The Company, the Group Entities and the Promoters shall ensure that each of the Company and the Group Entities appoint one of the Big Six Auditors as their respective statutory auditors starting Financial Year 2015-16 in place of its current statutory auditor. The Company shall and the Promoters shall ensure that, subject to Applicable Law and the consent of such auditor, such appointment by the Company and the Group Entities will be valid for so long as the Investor holds any Shares in the Company and the Group Entities.
- 10.19 **Foreign Direct Investment Regulation Compliance.** Unless required by Applicable Law, neither the Company and the Group Entities shall nor shall the Promoters cause the Company and the Group Entities to do any act that would make the investment by the Investor require any approvals from Governmental Authorities to either maintain the investment, make a further investment or Transfer any Shares held by the Investor.
- 10.20 **Alteration of articles of association.** Any amendments to the Company's Articles will require Investor Consent.
- 10.21 **Promoters Obligations.** In addition to its other obligations set out in this Agreement, the Promoters shall also have the following obligations and responsibilities:
- 10.21.1 assist the Company and the Group Entities in liaison with Governmental Authorities, obtaining necessary licenses, registrations, consents, approvals, financing and guarantees necessary for the operations of the Company and the Group Entities, making the necessary filings and registrations including compliance with Applicable Laws to ensure smooth operations of the Company and its Group Entities;
- 10.21.2 assist the Company and its Group Entities to take all necessary steps (in consultation with Investor) for the establishment by the Company and its Group Entities of the infrastructure as may be necessary for the Business;

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- 10.21.3 utilise its contacts and goodwill in securing orders and generating business and developing the market of the Company and its Group Entities services, in accordance with the business plan;
- 10.21.4 assist the Company and its Group Entities in the hiring and training of personnel and leading and developing the Business of the Company and the Group Entities; and
- 10.21.5 assist the Company and its Group Entities in relation to pricing and negotiations for marketing their services and products.
- 10.22 The Company shall not and Promoters shall ensure that the Company does not grant any other current/potential investor any rights which are more favourable than those granted to the Investor. If any rights granted to any other investor are at variance with and more favourable from an investor point of view than the rights of the Investor, then the Investor shall be entitled to also exercise such different and more favourable rights as are offered by the Company to such investor.
- 10.23 **Application of this Agreement.** The terms of this Agreement will *mutatis mutandis* apply to any future subsidiary that may come into existence after the execution of this Agreement.

11 MATERIAL BREACH AND TERMINATION

- 11.1 **Accelerated Exit.** Upon a material breach, the Investor may issue a written Notice to the Promoters, the Company and the Group Entities bringing the material breach to their attention. The Promoters and the Company shall cure the breach within 60 (sixty) days from the service of Notice ("Cure Period"). In the event the breach is not cured within the Cure Period, the Investor shall be entitled to an exit by exercise of any of the Exit Rights or any other exit mechanism permissible under Applicable Law and the Promoters shall be obliged to provide an exit within 180 (one hundred eighty) days from the date of expiry of the Cure Period. It is hereby clarified that failure to provide an exit within the Drop Dead Date shall not be deemed to be a material breach of the Definitive Agreements.
- 11.2 **Cessation of Rights.** Notwithstanding any provision to the contrary contained in this Agreement, if the material breach has not been cured within the Cure Period, then upon expiry of the Cure Period, the right to appoint Directors available to the Promoters under Section 4 shall cease.
- 11.3 **Termination by Mutual Consent.** The Agreement shall continue in full force and effect until terminated in writing by the Investor, the Company, the Group Entities and the Promoters by mutual consent.
- 11.4 **Termination on IPO.** Subject to Applicable Law, barring rights under Section 4.2.1 and Section 4.9, this Agreement and all the rights and obligations of the Parties under this Agreement shall terminate upon listing of the Investor Shares in accordance with

the terms of this Agreement.

- 11.5 **Survival.** The provisions of Section 1 (Definitions and Interpretation), Section 10.10 (Confidentiality), Section 14 (Miscellaneous) shall survive the termination of this Agreement subject to Applicable Law.

12 REPRESENTATION AND WARRANTIES

- 12.1 Each of the Parties represents and warrants to the other that:

12.1.1 they have the power and authority to execute and deliver this Agreement and are not prohibited from entering into this Agreement;

12.1.2 this Agreement has been duly authorized by the respective Parties and upon execution and delivery will be a legal, valid and binding obligations of such Party enforceable in accordance with its terms; and

12.1.3 the execution and delivery of this Agreement and the promises, agreements or undertakings of such Party under this Agreement do not: (i) violate any Applicable Law, or agreements or any other instruments which the Parties have executed, or (ii) violate or contravene the provisions of or constitute a default under any documents, or contracts, which are applicable to them.

13 PROMOTER OPTIONS

- 13.1 Any stock options to Key Employees shall be issued with the Investor Consent.
- 13.2 All Key Employees who shall purchase, or receive options to purchase Shares pursuant to this Section 13 following the Execution Date shall be required to execute such documents providing for vesting of the option shares, in the manner consented to by the Investor.
- 13.3 Subject to Applicable Law, in the event the Investor obtains an exit from the Company whereby the Investor realises a net return of 3x (three times) on its Investment Amount (including its Investment Amount) before the Drop Dead Date, then the Key Employees will be entitled to a grant and vesting of options equivalent to 13,953 (thirteen thousand nine hundred and fifty three) Shares of the Company at face value of INR 10 (Indian Rupees ten).

14 MISCELLANEOUS

- 14.1 **Successors and Assigns.** Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, permitted assigns, heirs, executors and administrators of the Parties. Provided however that neither this Agreement nor any right or obligation hereunder or part hereof may be assigned by the Promoters, the Company and any or all of the Group Entities without the Investor Consent and any attempt to do so shall be void. All the costs which may arise as a result of any assignment pursuant to this Section 14.1 shall

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be the sole liability of the assigning Party.

14.2 Notices.

14.2.1 Unless otherwise provided herein, all notices, requests, waivers and other communications shall be made in writing, in English language and by letter (delivered by hand, courier or registered post), email or facsimile transmission (save as otherwise stated) and to the addresses and authorized representatives set out in SCHEDULE 1, unless the addresses or the authorized representative is changed by a Notice.

14.2.2 In the event a Party refuses delivery or acceptance of a Notice under this Agreement which is so evidenced by endorsement on the mode of delivery to the extent possible, it shall be deemed that the Notice was duly given upon proof of the refused delivery, provided the same was sent in the manner specified in this Agreement.

14.2.3 It is agreed that one Notice, in respect of the Promoters, once delivered to the recipient at the address set out above shall be deemed to have been duly served and validly delivered to all the Promoters.

14.3 **Waivers, Delays or Omissions.** No delay or omission in exercise of any right, power or remedy accruing to any Party, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of any Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring or of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

14.4 Severability.

14.4.1 If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future Applicable Law (i) such provision or part thereof shall be fully severable; and (ii) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom to the extent permissible under Applicable Law.

14.4.2 Without prejudice to the foregoing, the Parties hereto shall mutually agree in writing to alternate legally valid and enforceable provisions as similar in terms and effect to such illegal, invalid or unenforceable provision or part thereof as may be possible under Applicable Law.

14.5 Governing Law and Jurisdiction.

14.5.1 This Agreement shall be governed by and construed in accordance with the laws of India.

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14.5.2 Subject to Section 14.6 below, the courts at Mumbai shall have exclusive jurisdiction on the matters arising from or in connection with this Agreement, without regard to the principles of conflict of laws.

14.6 Dispute Resolution.

14.6.1 Notwithstanding anything contained in this Agreement to the contrary, the Parties hereby agree that they intend to discharge their obligations in utmost good faith. The Parties therefore agree that they will, at all times, act in good faith, and make all attempts to resolve all differences, howsoever arising out of or in connection with this Agreement by way of each appointing one nominee/representative being either of chief executive officer, managing director, promoter or manager level who has the authority to take decisions for and on behalf of the relevant Party in relation thereto, who shall discuss in good faith to resolve the differences ("Amicable Settlement"). In case the Amicable Settlement does not resolve the dispute within 30 (thirty) calendar days from the date such differences have arisen or have been referred for Amicable Settlement by either Party to the other(s), it shall be referred to arbitration in accordance with this Section 14.6.

14.6.2 Any dispute, Claim or controversy arising under or relating to the Definitive Agreements, including without limitation any dispute concerning the existence or enforceability hereof, which have remained unresolved as per Section 14.6.1 ("Dispute") shall be resolved by arbitration in Delhi in accordance with the Arbitration and Conciliation Act, 1996 by a tribunal consisting of 3 (three) arbitrators ("Tribunal"). The Investor will appoint 1(one) arbitrator and the Promoters will appoint 1 (one) arbitrator and the 2 (two) arbitrators so appointed will jointly choose the third arbitrator.

14.6.3 The language of the arbitration shall be English.

14.6.4 The Tribunal shall be entitled to award costs of the arbitration. Subject to the aforesaid, each Party to the arbitration shall bear its own expense in relation thereto, including but not limited to such Party's attorneys' fees and the expenses and fees of the Tribunal shall be borne equally by the parties to the Dispute.

14.6.5 To the extent practical, decisions of the Tribunal shall be rendered no more than 90 (ninety) days following commencement of proceedings with respect thereto. The Tribunal shall reach and render a reasoned decision in writing.

14.6.6 Any arbitration award passed by the Tribunal shall be final, binding and conclusive as to the Dispute. The arbitration award shall be enforced to the maximum extent permitted by Applicable Law and shall as required be entered in the court having jurisdiction pursuant to Section 14.5.

14.7 Attorney's Fees. If any suit or action is instituted to enforce any provisions in this Agreement, the arbitrator or court, as applicable, shall decide if the prevailing Party

in such dispute is entitled to recover from the losing Party such fees, costs and expenses of enforcing any right of such prevailing Party under or with respect to this Agreement.

- 14.8 **Amendments and Waivers.** This Agreement may only be amended with the written consent of the Investor, the Company, the Group Entities and the Promoters.
- 14.9 **Cumulative Remedies.** All the remedies available to the Investor, either under this Agreement or under Applicable Law or otherwise afforded, will be cumulative and not alternative or exclusive of any rights, powers, privileges or remedies provided by this Agreement, Applicable Law or otherwise. No single or partial exercise of any right, power, privilege or remedy under this Agreement shall prevent any further or other exercise thereof or the exercise of any other right, power, privilege or remedy.
- 14.10 **Specific Performance.** The Parties agree that the obligations to be imposed in the Definitive Agreements would be special, unique and of an extraordinary character. This Agreement shall be specifically enforceable at the instance of any Party. The Parties agree that a non-defaulting Party will suffer immediate, material, immeasurable, continuing and irreparable damage and harm in the event of any material breach and the remedies at Applicable Law in respect of such breach will be inadequate and that such non-defaulting Party shall be entitled to seek specific performance against the defaulting Party for performance of its obligations under this Agreement in addition to any and all other legal or equitable remedies available to it.
- 14.11 **Further Actions.** The Parties shall do or cause to be done such further acts, deeds, matters and things and execute such further documents and papers as may reasonably be required to give effect to the terms of this Agreement.
- 14.12 **Registration rights.** The Investor shall receive typical and customary registration rights, where available, in all global market(s) where the Company lists the Shares. Termination of the Definitive Agreements shall not affect the obligation of the Company to provide registration rights to the holders of the Investor Securities.
- 14.13 **Entire Agreement.** This Agreement together with all the Schedules and Annexures hereto forms a single Agreement between the Parties hereto. The Definitive Agreements constitute the entire understanding between the Parties with regard to the subject matter hereof and thereof and supersede any other agreement between the Parties relating to the subject matter hereof and thereof, including but not limited to the term sheet dated May 02, 2014.
- 14.14 **Expenses.** Only upon Closing, the Company shall be liable to bear all expenses related to the transactions contemplated in the Definitive Agreements including stamp duties, filing costs and any other expenses that may become due. Subject to deduction of applicable Taxes, the Company will reimburse the Investor within 30 (thirty) calendar days of receiving a request from the Investor for (i) all out-of-pocket expenses of the Investor's own staff (e.g., travel, subsistence and communication), and (ii) all fees, charges and out-of-pocket expenses of the legal counsel, auditors and independent technical consultants on production of original bills/invoices by the

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Investor. The Company will be liable to reimburse the expenses incurred by the Investor upon Closing. Provided, however, that the liability of the Company to bear the aforementioned costs in relation to the transactions contemplated in the Definitive Agreements shall be limited to INR 2,500,000/- (Indian Rupees two million five hundred thousand). The Investor shall not be liable to pay or reimburse the expenses incurred by the Company or the Promoters under any circumstances whatsoever.

- 14.15 **Relationship between Parties.** Except as specified in this Agreement, the Parties are independent contractors. Nothing in this Agreement or in any document referred to in it shall constitute any of the Parties a partner or agent of the other, nor shall the execution, Closing and implementation of this Agreement confer on any Party any power to bind or impose any obligation on any other Party or to pledge the credit of any other Party.
- 14.16 **Stamp Duty.** Any stamp duty payable on this Agreement and on the Investor Shares shall be borne by the Company or the Promoters. The Parties agree that in the event stamp duty is payable on any counterpart of this Agreement in any other jurisdiction where such counterpart is taken, the additional stamp duty so payable shall also be borne by the Company or the Promoters.
- 14.17 **Counterparts.** This Agreement may be executed and delivered in any number of counterparts each of which shall be an original but all of which together shall constitute one and the same instrument. Any Party may execute this Agreement by signing any one or more of such originals or counterparts. The delivery of signed counterparts by facsimile transmission or electronic mail in "portable document format" (PDF) shall be as effective as signing and delivering the counterpart in person.

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SCHEDULE 1
DETAILS OF THE PARTIES

Part A: Details of the Investor

Investor	Authorized Signatory	Information for notices
ORBIMED ASIA II MAURITIUS FDI INVESTMENTS LIMITED	Shariff Golam Hossen Director, OrbiMed Asia II Mauritius FDI Investments Limited	Fifth Floor, Ebene Esplanade, 24 Cybercity, Ebene, Mauritius

Part B: Details of the Company

Company number	U51507MH2004PTC147394
Registered Office	80A, Kandivali Co-op Industrial Estate Limited (Government Industrial Estate), near Hindustan Naka, Charkop, Kandivali (West), Mumbai, Maharashtra
Date of incorporation	July 08, 2004
Directors	Rajesh Khakhar, Sameer Merchant, Jigna Khakhar and Alka Merchant
Statutory Auditors	Abhay Subhash and Associates
Authorized Share Capital	INR 3,000,000/- (Indian Rupees three million)
PAN	AABCL0001A
Issued, Subscribed and Paid Up Share Capital	INR 3,000,000/- (Indian Rupees three million)
Information for notices	80A, Kandivali Co-op Industrial Estate Limited (Government Industrial Estate), near Hindustan Naka, Charkop, Kandivali (West), Mumbai - 400 067, Maharashtra
Authorized Signatory	Rajesh Khakhar / Sameer Merchant

Part C: Details of the Promoters

Sl. No.	Name of the Promoters	Information for notices
1.	Rajesh Khakhar	A/4 Tarapore Garden, Oshiwara, Link Road Andheri (West), Mumbai, 400053, Maharashtra
2.	Sameer Merchant	B-1 401 Serenity Complex, Near City International School, Adarsh Nagar, Andheri (West), Mumbai, 400053, Maharashtra
3.	Jigna Khakhar	A/4 Tarapore Garden, Oshiwara, Link Road Andheri (West), Mumbai, 400053, Maharashtra
4.	Alka Merchant	B-1 401 Serenity Complex, Near City International School, Adarsh Nagar, Andheri (West), Mumbai, 400053, Maharashtra
5.	Amrish Desai	904, Castle Tower, Opp. Hira Panna Mall, Oshiwara, Link Road, Jogeshwari (West),

		Mumbai, 400053, Maharashtra
6.	Parag Bhimjiyani	Flat No B-402, Shivalaya Heights, Azad Nagar, Veera Desai Road, Andheri (West), Mumbai, 400053, Maharashtra
7.	Hasmukh Khakhar	G-602, Royal Classic, Near Citimall, Link Road Andheri (West), Mumbai, 400053, Maharashtra
8.	Harshil Kakadia	45 Highview Drive, Woodbridge, NJ 07095

Part D: Details of the Group Entities

Sl. No.	Name of the Group Entity	Information for notices
1.	Illusion Dental Laboratory Private Limited	402, Akroti Arcade, JP Road, opposite AH Wadia School, Andheri (West), Mumbai - 400 053, India.
2.	Laxmi Dental Lab USA Inc.	970, New Brunswick Avenue, #D, Rahway, NJ 07065, USA.

Part E: Details of the Investment

Description	Details of investment
Investment Amount	INR 625,000,000/- (Indian Rupees six hundred and twenty five million)
Series A CCPS	2,90,597 (two lakh ninety thousand five hundred and ninety seven) Series A CCPS
Price per Series A CCPS	INR 2,150 (Indian Rupees two thousand one hundred and fifty)
Equity Shares	100 (one hundred) Equity Shares
Price per Equity Share	INR 2,150 (Indian Rupees two thousand one hundred and fifty)

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SCHEDULE 2
PRINCIPLES OF DEED OF ADHERENCE

A DEED OF ADHERENCE SHALL INCORPORATE THE FOLLOWING PRINCIPLES

The Deed of Adherence executed between a Transferor and Transferee shall, based on the classification set out below, contain the relevant terms listed below:

A. If the Transferor is a Promoter:

1. The Transferee shall be bound by all the restrictions and obligation on Transfer of Shares applicable to the Promoter as contained in the Transactions Documents including non-transfer of shares without the Investor's consent, right of first offer and drag along right available to the Investor.
2. The Transferor will acknowledge that he will continue to be bound by all clauses that survive the termination of the Agreement in accordance with the terms contained in the Agreement.
3. If the Transferor is not selling 100% (one hundred per cent) of his or her shares, the Transferor shall continue to be bound by the terms of the Definitive Agreements.
4. The Transferor will acknowledge that any special rights available to the Promoter shall unless the Investor otherwise agrees, forthwith cease and the Transferee shall not be entitled to the said rights unless the Investor agrees otherwise. For instance, unless the Investor agrees otherwise, the Transferee shall not have a right to be represented on the Board.
5. The Transferor and Transferee will acknowledge that they are bound by the provisions of the Definitive Agreements in the manner agreed to in this Deed of Adherence and shall vote accordingly if any amendment to the Articles is required to bring it in consonance with the deed of adherence.

Provided that if the Transferee is the Investor, no Deed of Adherence shall be required.

B. If the Transferor is not a Promoter or Investor:

1. The Transferee shall be bound by all the restrictions and obligation on Transfer of Shares applicable to the Other Shareholders as contained in the Shareholders Agreement including non-transfer of shares without Investor's consent, right of first offer and drag along right available to the Investor.

Provided that if the Transferee is a Promoter, he shall continue be bound by all the restrictions and obligations contained in the Shareholders Agreement applicable to the Promoter including the non-transfer of shares without Investor's consent, right of first offer and drag along right available to the Investor.

Provided further that if the Transferee is the Investor, no Deed of Adherence shall be required

If the Transferee is not already a party to the Shareholders Agreement,

A. The Transferee shall as part of the Deed of Adherence agree, acknowledge and undertake:

- (i) that a copy of the Definitive Agreements and the Articles of the Company have been made available to it and that it accedes and ratifies the

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Shareholders' Agreement,

- (ii) that it shall do nothing that derogates from the provisions of the Definitive Agreements and the Articles; and
- (iii) that the Company shall not be bound to give effect to any act or voting rights exercised by it which are not in accordance with the Definitive Agreements.

B. The Transferee shall as part of the Deed of Adherence also represent and warrant that:

- (i) it is a person competent to execute and deliver, and to perform its obligations under, the Definitive Agreements;
- (ii) the execution and delivery by it of this Deed and performance of its obligations hereunder do not and will not violate any provision of any regulations or any agreement to which it is a party or by which it or any of its properties are bound; and,
- (iii) no authorisation or approval of any governmental authority is required to enable it to lawfully perform its obligations hereunder. If any such approval or authorisation is required, there shall be included a representation or authorisation that such approval or authorization has been obtained.

SCHEDULE 3
DEFINITIONS (SECTION 1.1)

1. In this Agreement, the following words and expressions, unless inconsistent with the context, shall bear the meanings assigned hereto:

"1956 Act" means the Companies Act, 1956, to the extent in force, and as amended from time to time;

"2013 Act" means the Companies Act, 2013, to the extent in force, and as amended from time to time and shall include any statutory replacement or re-enactment thereof.

"Affiliate", with respect to: (i) a corporation, partnership, association, trust, or any other entity, means any Person who, Controls, is Controlled by or is under common Control with such Person, including, any general partner, officer or director of such Person and any venture capital fund now or hereafter existing which shares the same management company with such Person, and (ii) an individual means a Relative of such individual and a Person who is Controlled by or is under common Control with such individual and/or a Relative of such individual.

Without limiting the generality of the foregoing, Affiliate in relation to the Investor includes: (a) any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other vehicle, in which the Investor is a general or limited partner, significant shareholder, investment manager or advisor, settlor, member of a management or investment committee or trustee; (b) any general partner of the Investor; and (c) any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other vehicle in which any general partner of the Investor is a general partner, significant shareholder, investment manager or advisor, settlor, member of a management or investment committee or trustee.

"Agreement" means this shareholders' agreement, as amended from time to time in accordance with the provisions hereof, and shall include all the schedules, annexures and exhibits (if any) to this Agreement.

"Applicable Law" means all statutes, enactments, acts of legislature or parliament, ordinances, rules, bye-laws, regulations, notifications, policies, directions, directives and orders, as such are in effect as of the date hereof or as may be amended, modified, enacted or revoked from time to time hereafter or other governmental restrictions or any similar form of decision of, or determination by any government, statutory authority, tribunal, board, court having jurisdiction over the matter in question in India, or any recognized stock exchange(s) on which the Shares may be listed, having the force of law.

"Articles" means the memorandum of association and articles of association of the Company and the Group Entities (as the case may be), as amended from time to time.

"Assets" shall mean assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued,

fixed or otherwise), including cash, cash equivalents, receivables, real estate, plant and machinery, equipment, Proprietary Rights, raw materials, inventory, furniture, fixtures and insurance.

"As If Converted Basis" means a calculation assuming that all Dilution Instruments existing at the time of determination have been exercised or converted into Equity Shares, excluding any options issued or reserved for issuance under any stock option plan or scheme by whatever name called of the Company.

"Big Six Auditors" means KPMG, PricewaterhouseCoopers, Ernst & Young, Deloitte, Grant Thornton and BDO.

"Board" means the board of Directors of the Company and the Group Entities (as the case may be), as constituted, from time to time.

"Business" means the business of the Company being manufacturing and distribution of dental prosthesis i.e., artificial human teeth.

"Business Day" means any day other than Saturday, Sunday or any day on which banks in Mauritius or Bangalore or both are generally closed for regular banking business.

"Closing" shall have the meaning ascribed to it in the Subscription Agreement.

"Closing Date" means the date on which Closing occurs.

"Control" (including, with its correlative meanings, the terms "Controlled by" or "under common Control with") means (i) the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of a Person whether through the ownership of voting securities, by agreement or otherwise or the power to elect more than half of the directors; or (ii) the possession, directly or indirectly, of a voting interest and/or shareholding in excess of 50% (fifty per cent) in a Person.

"Definitive Agreements" mean this Agreement, the Subscription Agreement, the Restated Articles and all other agreements and documents that may be executed by the Parties pursuant to this transaction hereto and thereto.

"Dilutive Issuance" shall mean issue of Dilution Instruments at a price that is lower than the Investor CCPS Price in effect immediately prior to such issuance.

"Dilution Instruments" means any Shares, securities, rights, options, warrants or arrangement (whether oral or in writing) which are convertible into or exercisable or exchangeable for or entitle the holder to acquire or receive any Shares, or any rights to purchase or subscribe to Shares or securities by their terms convertible into or exchangeable for Shares; including convertible debt; excluding any arrangement (whether oral or in writing) binding the Company and the Group Entities (as the case may be) pursuant to which a bank or a financial institution is entitled to convert any

amount due to it into Shares upon default by the Company and Group Entities (as the case may be), and assuming that such default has not occurred as of the relevant date.

"Director" means a director of the Company and the Group Entities (as the case may be) from time to time.

"Dollars" or **"USD"** or **"\$"** mean United States Dollars.

"Drag Along Right" shall mean the right available to the Investor under Section 8.2.4 of this Agreement and includes a right to cause a Drag Sale in accordance with the terms of this Agreement.

"Drop Dead Date" means January 31, 2020.

"Equity Shares" mean ordinary equity Shares with voting rights of face value of INR 10 (Indian Rupees ten) each in the capital of the Company.

"Encumbrance" means: (i) any form of legal or equitable security interest, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, title retention, right to acquire, lease, sub-lease, license, voting agreement, security interest, hypothecation, option, right of first refusal or offer, restrictions or limitation, purchase agreement, any preference arrangement (including title transfers and retention arrangements or otherwise), and any other encumbrance or similar condition whatsoever or an agreement to do any of the foregoing or any other arrangements having similar effect; (ii) any power of attorney and any adverse claim as to title, possession or use.

"Exit Right" shall mean an individual reference to Investor's rights as set out in Section 8 and **"Exit Rights"** shall mean a collective reference to the same.

"Financial Year" means the year commencing on the first day of April and ending on the last day of March of the next calendar year.

"Fully Diluted Basis" means a calculation assuming that all Dilution Instruments existing at the time of determination have been exercised or converted into Equity Shares.

"Governmental Authority" means (i) the government of India or the government of any state or other political subdivision thereof in India; (ii) any other governmental or quasi-governmental or statutory or regulatory authority, agency, department, board, commission or instrumentality of India or of any state or political subdivision thereof including without limitation the Foreign Investment Promotion Board and the Reserve Bank of India; or (iii) any court, tribunal, judicial or quasi-judicial authority of competent jurisdiction in India or any arbitration tribunal (including a sole arbitrator).

"Indebtedness" of any Person means all indebtedness including (i) all obligations of

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such Person for borrowed money or with respect to advances of any kind; and (ii) all binding indemnity, guarantees and sureties by such Person whether in connection with aforementioned borrowing or advances or otherwise.

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

"Investment Amount" means such amount as detailed in Part E of SCHEDULE 1 to be invested by the Investor as per the terms of this Agreement in order to subscribe to Investor Shares at Closing.

"Investor CCPS Price" means the price at which the Series A CCPS have been subscribed to by the Investor under the Subscription Agreement.

"Investor Consent" means prior written consent of the Investor or its authorized representative.

"IRR" or "Internal Rate of Return" means the specified rate of return to be received by the Investor which is sufficient to cause/enable the Investor to receive as of the date of determination, an aggregate pre-tax internal rate of return of such specified rate per annum on the aggregate of the amounts (including the Investment Amount) invested by the Investor, net of all expenses incurred in connection therewith. For such purposes, the IRR shall be calculated using the "xIRR" function in Microsoft Excel 2007 and using the Investment Amount and any other amounts invested by the Investor as the investment "out-flows", with dividends, redemption value, interest, all receipts in cash and kind (other than any payments related to indemnity), securities (valued at issue price) and liquidation proceeds of the Company distributed to the Investor as "in-flows".

"Investor Protection Matters" shall mean those matters which are detailed in Section 4.13.2.

"Investor Shares" means a collective reference to 2,90,597 (two lakh ninety thousand five hundred and ninety seven) Series A CCPS and 100 Equity Shares and after Closing includes any and all Equity Shares of the Company that may be issued to the Investor upon conversion of one or more Series A CCPS, together with any Shares or securities of the Company issued to or acquired by the Investor in accordance with the terms of the Definitive Agreements as adjusted for any capital reorganization including any stock splits, consolidation, sub-division, bonus issuances, capitalization of profits and rights issuances.

"IPO" stands for Initial Public Offering.

"Key Employee(s)" refers to Rajesh Khakhar, Sameer Merchant, Jigna Khakhar and Alka Merchant.

"Liquidation Event" means and includes liquidation, dissolution or winding up (whether voluntary or involuntary) of the Company.

"Liquidity Event" means and includes (i) merger, demerger, acquisition, change of Control, consolidation, sale of shares (including Qualified IPO, strategic sale, sale pursuant to exercise of Tag Along Right or Drag Along Right or any other Exit Right); or, (ii) other transaction or series of transactions in which the Company's Shareholders as on the date of investment will not, (a) retain a majority of the voting power of the surviving entity, or (b) Control the board of directors of the surviving entity; or, (iii) a sale, lease, license or other Transfer of all or substantially all the Company's Assets (including by way of a sale any Subsidiary or Assets of a Subsidiary).

"Liquidation Preference" means the liquidation preference right available to the holders of Series A CCPS under SCHEDULE 6.

"Liquidation Preference Amount" means an amount which is higher of:

- (i) an amount which is at least equal to the Investment Amount plus a
 - (a) if the equity valuation at the time of exit in terms of this Agreement is less than or equal to INR 2,000,000,000 (Indian Rupees two thousand million) then at least 15% (fifteen per cent) IRR thereon calculated on the Investment Amount plus any accrued and unpaid dividends and other pay outs from the Company payable to the Investor; .or
 - (b) if the equity valuation at the time of Exit is more than INR 2,000,000,000 (Indian Rupees two thousand million) then at least 20% (twenty per cent) IRR thereon calculated on the Investment Amount on plus any accrued and unpaid dividends and other pay outs from the Company payable to the Investor; or
- (ii) Investor's pro rata entitlement of the proceeds of the Liquidation Event.







"Liquidity Preference Amount" means an amount which is higher of:

- (i) an amount equal to the Investment Amount along with at least 20% (twenty per cent) IRR thereon calculated on the aggregate Investment Amount on plus any accrued and unpaid dividends and other pay outs from the Company payable to the Investor. ; or
- (ii) Investor's pro rata entitlement of the proceeds of the Liquidity Event on an As if Converted Basis.

"Lowest Permissible Price" in relation to the Investor shall mean the lowest possible price at which a Share may be issued or transferred to the Investor in accordance with Applicable Law.

"Minimum Investor Threshold" shall mean 29,070 (twenty nine thousand and seventy) Shares (as adjusted for stock splits and consolidation), which is approximately 10% (ten per cent) of the Equity Shares held by the Investor pursuant to the Closing Date and upon issuance of the Investor Shares calculated on an As If Converted Basis.

"Minimum Return" means an IRR of at least 20% (twenty per cent) on its Investment Amount plus any accrued or unpaid dividends and any other payouts from the

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Company to the Investor.

"Notice" means a notice in writing and the terms "Notify" or "Notification" shall be construed accordingly.

"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 and Group Entities', as the case may be, normal day-to-day operations, and:

- (i) taken in accordance with sound and prudent business practices;
- (ii) similar in nature and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of the normal day-to-day operations of other Persons that are engaged in businesses similar to the Person's business; and
- (iii) consistent with past practice and existing policies of the Group Entities (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, society, co-operative society, Governmental Authority or any other entity that may be treated as a Person under Applicable Law.

"Pro Rata Share" means that portion of the Dilution Instruments that equals the ratio that (i) the number of Dilution Instruments owned by the relevant Shareholder (measured on an As If Converted Basis) bears to (ii) the total number of Dilution Instruments of the Company and the Group Entities (as the case may be) then outstanding (measured on an As If Converted Basis) while excluding from such calculations the Dilution Instruments to be issued by the Company and the Group Entities (as the case may be) at the time of making such calculation.

"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: (i) 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; (ii) rights associated with works of authorship, including without limitation, copyrights, copyright applications, copyright registrations; (iii) rights in trademarks, trademark registrations, and applications therefor, trade names, service marks, service names, logos, or trade dress; (iv) rights relating to the protection of trade secrets and confidential information; and (v) internet domain names, internet and world wide web (WWW) URLs or addresses; (vi) mask work rights, mask work registrations and applications therefor; and (vii) 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.

"Public Offer" means a public offering of the Shares on any Stock Exchange whether in the form of a primary issuance or an offer for sale or a combination of a primary issuance and an offer for sale and includes a Qualified IPO or a Liquidity IPO.

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"Qualified IPO" means closing of a firmly underwritten public offering of Shares or other securities of the Company (including depository receipts) on the Stock Exchanges or any recognised stock exchange elsewhere in the world, which satisfies the following conditions (i) the value of such offering shall be such amount as approved by the Investor; (ii) the offer price of the shares shall be determined at a valuation determined in consultation with the Investor and (iii) the offering complies with all regulatory and listing requirements and (iv) the terms of the offering, including size of the offering shall be agreed to by the Investor.

"Related Party" in relation to the Company means (i) each of the Group Entities; (ii) any Affiliate of the Group Entities; (iii) Promoters or Director (other than any Director nominated by the Investor and the independent Director) or any Relative of such Promoter or Director; or, (iv) any Person who is owned or Controlled by the Promoters and/or any Person whose majority interest is owned or Controlled by a Relative of a Promoter.

"Relative" means a relative as defined under Section 6 of the 2013 Act.

"Restated Articles" means the restated and amended Articles, which shall be to the satisfaction of the Investor and substantially in conformity with the Definitive Agreements and subject to Applicable Law.

"Series A CCPS" means 2,90,597 (two lakh ninety thousand five hundred and ninety seven) number of Series A compulsorily convertible cumulative preference shares of face value INR 400 each in the Share capital of the Company and issued at a premium of INR 1750 per Share, as detailed in Part E of SCHEDULE 1 to be issued to the Investor in accordance with the Subscription Agreement and having such terms as set out in this Agreement.

"Shareholders" mean the Persons whose names are entered in the register of members of the Company and Group Entities (as the case may be).

"Shares" means all classes of shares in the capital of the Company and the Group Entities (as the case may be) issued from time to time, 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.

"Stock Exchange" means the National Stock Exchange of India Limited, the Bombay Stock Exchange Limited or such other recognized stock exchange, approved by the Investor.

"Subscription Agreement" means the subscription agreement of even date executed collectively by the Parties, as amended in writing from time to time in accordance with the provisions thereof, and shall include all the schedules, annexures and exhibits to such agreement.

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"Taxes" means all income and other taxes, levies, stamp duty, rates, imposts, duties, deductions, cesses, dues, charges and withholdings whatsoever imposed by any Governmental Authority having power to tax and all penalties, fines, surcharges, interest, assessments, or additions to tax resulting from attributable to or incurred in connection with any such tax or contest or dispute thereof, or other payments on or in respect thereof and "Tax" and "Taxation" shall be construed accordingly.

"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.

2. **Cross References.** In addition to the meanings assigned to the words and expressions above, each of the following terms shall have the meaning assigned thereto in the Section of this Agreement set forth below opposite such term.

Term	Cross reference
Acceptance	Section 5.2.2
Acceptance Period	Section 5.2.2
Adjustment Shares	Section 1(a) of SCHEDULE 5
Agreement	Party Clause
Amicable Settlement	Section 14.6.1
Company	Party Clause
Compliance Officer	Section 10.17
Conversion Ratio	Section 1(b) of SCHEDULE 5
Cure Period	Section 11.1
Dilutive Issuance	Section 5 of SCHEDULE 6
Dispute	Section 14.6.2
Drag Along Right	Section 8.2.4.2
Drag Along Shares	Section 8.2.4.2
Drag Events	Section 8.2.4.1
Drag Sale	Section 8.2.4.2
Drag Sale Notice	Section 8.2.4.4
Dragged Shareholders	Section 8.2.4.2
Execution Date	Party Clause
FCPA	Section 10.13
Group Entities/Group Entity	Party Clause
Independent Director/s	Section 4.2.3
Investor	Party Clause
Investor Alternate Director	Section 4.6
Investor Director/Investor Directors	Section 4.2.1
Investor ROFR	Section 7.1.1
Investor ROFR Notice	Section 7.1.2
Issue Date	Section 1(c) of SCHEDULE 5

Liquidity IPO	Section 8.2.1
Lowest Permissible Price	Section 1(d) of <u>SCHEDULE 5</u>
New Buyer	Section 8.2.4.2
New Issue Price	Section 1(e) of <u>SCHEDULE 5</u>
New Price	Section 5 of <u>SCHEDULE 6</u>
Observer	Section 4.5
Offer Notice	Section 5.2.1
Other Shareholder/ Other Shareholders	Party Clause
Party / Parties	Party Clause
PCA	Section 10.13
Promoter Director/ Promoter Directors	Section 4.2.2
Promoter Minimum Shareholding	Section 6.1
Promoter/Promoters	Party Clause
Proposal	Section 7.1.2
Proposed Allottee(s)	Section 5.1
Proposed Transferee	Section 7.2.1
Ratchet Shareholder	Section 1(f) of <u>SCHEDULE 5</u>
Ratchet Shares	Section 1(g) of <u>SCHEDULE 5</u>
Ratchet Shares Price	Section 1(h) of <u>SCHEDULE 5</u>
Relevant Date	Section 1(i) of <u>SCHEDULE 5</u>
Sale Shares	Section 7.2.1
Selling Promoter	Section 7.2.1
Selling Shareholder	Section 7.1.1
Shreyas Property Price	Section 6 (e) of <u>SCHEDULE 6</u>
Strategic Sale Notice	Section 8.1.3.1
Tag Along Notice	Section 7.2.1
Tag Along Right	Section 7.2.1
Tag Along Shares	Section 7.2.2
Third Party Purchaser	Section 8.2.3
Transaction	Section 2(b) of <u>SCHEDULE 5</u>
Tribunal	Section 14.6.2
Valuation Protection Right	Section 5 of <u>SCHEDULE 6</u>

SCHEDULE 4**RULES OF INTERPRETATION (SECTION 1.2)**

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

- (i) The definitions in 1.1 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.
- (ii) All references herein to Sections and Schedules shall be deemed to be references to Sections of, and Schedules 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".
- (iii) Unless expressly contradicted or otherwise qualified, (a) all references to a Person also refer to that Person's successors and permitted assigns, including permitted transferees, and (b) all references to and definitions of any agreement (including this Agreement), instrument or statute herein or in any agreement or instrument referred to herein mean such agreement, instrument or statute, including the Articles, as from time to time may be amended, modified, supplemented or restated, including (in the case of agreements or instruments) by written waiver or written consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein.
- (iv) 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.
- (v) Time is of the essence in the performance of the Parties' respective obligations. Any time period specified for performance by Investor shall be deemed to stand extended to include any time period required by the Investor, the Company, the Group Entities or the Promoters for obtaining any approval/ consent from any Governmental Authority or any other Person whether in India or otherwise. If any time period specified herein is extended, such extended time shall also be of the essence.
- (vi) A reference to a right or obligation of any two or more Persons confers that right, or imposes that obligation, as the case may be and as the context may require jointly and severally. It is hereby expressly clarified that any obligation, covenant, Warranty or undertaking in this Agreement that is expressed to be made, undertaken or given by the Company, the Group Entities and/or the Promoters shall be deemed *mutatis*

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mutandis to be jointly and severally made, undertaken and given by the Company, the Group Entities and the Promoters, and the Company, the Group Entities and the Promoters shall be jointly and severally responsible in respect of the same.

- (vii) "consent" of any Party shall always mean prior written consent.
- (viii) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day.

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Dr. A.K. A.

Dr.

SCHEDULE 5
FULL RATCHET VALUATION PROTECTION

1. Definitions

For the purposes of this SCHEDULE 5 and unless the context otherwise requires a different meaning the following terms have the meanings indicated.

- (a) "Adjustment Shares" shall have the meaning ascribed to it in Section 2(a)(iv) of this Schedule.
- (b) "Conversion Ratio" shall, in relation to the Series A CCPS have the meaning given to it in Section 4 of SCHEDULE 6 of this Agreement.
- (c) "Issue Date" shall have the meaning ascribed to it in Section 2(a)(ii) of this Schedule.
- (d) "Lowest Permissible Price" in relation to a Ratchet Shareholder shall mean the lowest possible price at which a Share may be issued to that Ratchet Shareholder in accordance with Applicable Law.
- (e) "New Issue Price" shall have the meaning ascribed to it in Section 2(a)(i) of this Schedule.
- (f) "Ratchet Shareholder" shall mean the Investor.
- (g) "Ratchet Shares" shall mean
 - (i) the Investor Shares (including the Equity Shares issued on conversion of the Series A CCPS) held by the Investor at any given point of time; and
 - (ii) the Investor Shares (including the Equity Shares issued on conversion of the Series A CCPS) already issued to the Investor under the terms of this Schedule.
- (h) "Ratchet Share Price" shall immediately upon Closing mean (x) Investment Amount divided by (y) the total number of Investor Shares. The Ratchet Share Price shall thereafter stand adjusted from time to time, upon the occurrence of any stock split, change in par value of the Shares, a Transaction or any event that is dilutive of Share value or upon any price adjustment benefits provided to the Investor pursuant to this Schedule.
- (i) "Relevant Date" shall have the meaning ascribed to it in Section 2(a)(i) of this Schedule.

2. Non-Dilution Protection

(a) Issuance below Ratchet Share Price.

- (i) New Issues. If the Company shall at any time or from time to time issue or sell any Dilution Instruments at a price per Dilution Instrument (the "New Issue Price") that is less than the Ratchet Share Price then in effect as of date of the proposed sale or issuance (the "Relevant Date") (treating the price per Dilution Instrument as equal to (x) the total sum paid for such Dilution Instruments plus any additional consideration payable (without regard to any anti-dilution adjustments) upon the conversion, exchange or exercise of such Dilution Instruments divided by (y) the number of Shares initially underlying such Dilution Instruments), then and in each such case the Ratchet Share Price then in effect shall be adjusted to equal the New Issue Price (as adjusted for any sub-divisions or other events that are dilutive of Share value and for which no adjustment is otherwise made under this Schedule or any consolidations) in accordance with Section 2(a)(iv) of this Schedule.
- (ii) Timing for New Issues. Such adjustment shall be made whenever such Dilution Instruments are issued in accordance with Section 2(a)(i), as follows

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(x) in the case of an issuance to the Shareholders of the Company, on a date immediately following the close of business on the record date for the determination of Shareholders entitled to receive such Dilution Instruments; and, (y) in all other cases, on the date (the "Issue Date") of such issuance; provided, however, that the determination as to whether an adjustment is required to be made pursuant to this Section 2(a)(ii) shall be made immediately or simultaneously upon the issuance of such Dilution Instruments, and not upon the subsequent issuance of any security into which the Dilution Instruments convert, exchange or may be exercised.

- (iii) **Price Calculation for New Issues.** In case at any time any Dilution Instruments shall be issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Company therefor, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions or discounts paid or allowed by the Company in connection therewith. In case any Dilution Instruments shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the fair market value of such consideration, without deduction therefrom of any expenses incurred or any underwriting commissions paid or allowed by the Company in connection therewith, as determined mutually by the Board and the Ratchet Shareholders or, if the Board and the Ratchet Shareholders shall fail to agree, at the Company's expense by an independent appraiser chosen by the Board and reasonably acceptable to the Ratchet Shareholders.

- (iv) **Adjustment.** If the Ratchet Share Price of a Ratchet Shareholder is subject to an adjustment pursuant to an occurrence of any event described in Section 2(a)(i) such adjustment shall be effected through the reduction of that Ratchet Shareholder's Ratchet Share Price through the issuance of such number of additional Equity Shares to the Ratchet Shareholder ("Adjustment Shares"), at a subscription price per Adjustment Share equal to the Lowest Permissible Price as calculated in accordance with the following formula:

$$AS = (RAS \times RSP / NIP) - RAS$$

Where:

AS = the aggregate number of Adjustment Shares to be issued to the Ratchet Shareholder.

RSP = the Ratchet Share Price expressed in INR

NIP = the New Issue Price.

RAS = the aggregate number of Ratchet Shares before the new issuance.

- (b) **Reorganization, Reclassification:** In case of any reconstruction or consolidation of the Company or any capital reorganization, reclassification or other change of outstanding Shares or the Company declares a distribution (other than dividend for cash) on its Equity Shares or the Company authorizes the granting to the holders of its Equity Shares rights or warrants to subscribe for or purchase any Equity Shares of any class or of any other rights or warrants; or upon occurrence of any other similar transaction (each, a "Transaction"):

- (i) then the Company shall mail to each holder of Ratchet Shares at such holder's address as it appears on the books of the Company, as promptly as possible but in any event at least 10 (ten) days prior to the applicable date hereinafter specified, a Notice stating the date on which a record is to be

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- taken for the purpose of such dividend, distribution or granting of rights or warrants or, if a record is not to be taken, the date as of which the holders of Equity Shares of record to be entitled to such dividend, distribution or granting of rights or warrants are to be determined. Notwithstanding the foregoing, in the case of any event to which Section 2(b) above is applicable, the Company shall also deliver the certificate described in Section 2(b) above to each holder of Ratchet Shares at least 20 (twenty) Business Days' prior to effecting such reorganization or reclassification as aforesaid; and,
- (ii) the Company shall execute and deliver to each holder of Ratchet Shares at least 7 (seven) Business Days prior to effecting such Transaction a certificate, signed by (i) the chief executive officer of the Company; and, (ii) the chief financial officer of the Company, stating that the holder of each Ratchet Share shall have the right to receive in such Transaction, in exchange for each such Equity Share or preference share, a security identical to (and not less favourable than) each such Equity Share or preference share and no less favourable than any security offered to any other Shareholders for or in relation to that Transaction, and provision shall be made therefor in the agreement, if any, relating to such Transaction.

3. **Mode of Giving Effect to Valuation Protection:** In the event that the Investor holds any Series A CCPS at the time when the Company is required under the provisions of this Schedule to issue Adjustment Shares to the Investor, then the Company shall adjust the conversion ratio of Series A CCPS to the maximum extent possible to ensure that the Investor becomes entitled to such Adjustment Shares in addition to the Ratchet Shares so as to ensure that the Investor's holding in the Company is not diluted. In the event the Investor holds Equity Shares at the time when the Company is required under the provisions of this Schedule to issue Adjustment Shares to the Investor, then the Company shall issue additional Shares to the Investor at the Lowest Permissible Price under Applicable Law to ensure that the Investor becomes entitled to such Adjustment Shares in addition to the Ratchet Shares so as to ensure that the Investor's holding in the Company is not diluted. In the event the Company fails or is unable to provide the necessary valuation protection by means detailed above then the Investor shall have the option to require the Company to (a) Transfer Shares held by the Promoters to the Investor at Lowest Permissible Price under Applicable Law; (b) buy back of Shares held by the Promoters and other Shareholders; (c) reduce the sale proceeds receivable by the Promoters; (d) adjust the conversion price of Series A CCPS; or, (e) take such measures as may be necessary to ensure that the Investor becomes entitled to such Adjustment Shares in addition to the Ratchet Shares so as to ensure that the Investor's holding in the Company is not diluted.

In the event that the Investor holds only Equity Shares at the time when the Company is required under the provisions of this Schedule to issue Adjustment Shares to the Investor, then the Investor, shall have the option to require the Company to issue Adjustment Shares to the Investor, at the Lowest Permissible Price, so as to ensure that, upon issue of such Adjustment Shares, its holding in the Company is not diluted.

4. Compliance with and Effectiveness of this Schedule

- (a) **Waiver.** If a Shareholder (other than the relevant Ratchet Shareholder) is entitled under any contract, requirement of Applicable Law or otherwise to participate in relation to any issue of Shares to the Ratchet Shareholder under this Schedule, then such Shareholder hereby waives all such rights and, to the extent it cannot waive such rights it agrees not to exercise them.
- (b) **Ensuring Economic Effect.** If for any reason any part of Section 2 of this Schedule is not fully effected as a result of any change in Applicable Law (including a change in Applicable Law that affects the price at which that Ratchet Shareholder may sell or be issued Shares) then each Shareholder and the Company shall each use its best efforts to take all such actions (by corporate, director or shareholder action) as may be necessary to provide to each Ratchet Shareholder the same economic benefits as are contemplated by this Schedule.
- (c) **Change in Applicable Law.** If there is a change in any Applicable Law that makes it possible to implement any part of Section 2 of this Schedule so as to confer the economic benefits on the Ratchet Shareholders that are contemplated by this Schedule in a more effective manner then each Shareholder (other than the Ratchet Shareholders) and the Company shall co-operate and use its best efforts to implement Section 2 of this Schedule in that more effective manner.
- (d) **Consequence of non-cooperation.** If a Shareholder (other than the relevant Ratchet Shareholder) breaches a provision of this Schedule or acts or omits to act in a particular manner and as a result of such breach, act or omission a Ratchet Shareholder is unable to be issued the number and percentage of Equity Shares or Equity Shares at a price contemplated by this Schedule then that Shareholder is deemed to have committed a material breach of this Agreement.
- (e) **Currency Exchange.** If in calculating a price or any other amount under this Schedule the relevant variables for that calculation are expressed in different currencies then all such variables for the purposes of that calculation shall be converted to INR.

SCHEDULE 6**TERMS OF ISSUANCE OF SERIES A CCPS**

The Series A CCPS are issued with the following characteristics, including certain rights vested in the holder of the Series A CCPS which are in addition to, and without prejudice to, the other rights of the Investor set out in the Definitive Agreements.

1. **Equity Shares.** The number of Equity Shares to be issued to the holders of the Series A CCPS upon conversion shall, subject to the other terms and conditions set forth in this Agreement, be as set out in Section 4 below.
2. **Percentage of shareholding.** Upon investment of the Investment Amount, the Investor shall be issued such number of Shares (including Equity Shares already held by the Investor on the Closing Date) so that the Investor holds 49.21% (forty nine point two one percent) of the share capital of the Company on a Fully Diluted Basis as on the Closing Date.
3. **Dividends.** The holders of Series A CCPS shall be entitled to share in the distribution of declared dividends to common stockholders on an As If Converted Basis. The Series A CCPS shall carry a pre-determined cumulative dividend rate of 0.0001% (zero point zero zero zero one per cent) per annum. In addition to the same, if the holders of Equity Shares are paid dividend in excess of 0.0001% (zero point zero zero zero one per cent) per annum, the holders of the Series A CCPS shall be entitled to dividend at such higher rate. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant year, and shall be paid in priority to other classes of Shares. In a Liquidation Event or Liquidity Event, as applicable, the holder(s) of the Series A CCPS shall have the right to be first paid, in priority to the other Shareholders and all other classes of preference shareholders, any declared but accrued and unpaid dividends.
4. **Conversion.**
 - (a) The holders of the Series A CCPS may convert the Series A CCPS in whole or part into Equity Shares at any time before the expiry of 19 (nineteen) years from the date of issuance of the same subject to the adjustments provided in Sections 5, 6, 7 and 8 below and other terms and conditions of this Agreement. In the event the conversion of Series A CCPS entitles the holder of Series A CCPS to any fraction of an Equity Share, then such fraction shall be rounded up to the nearest whole number.
 - (b) The holders of Series A CCPS shall, at any time prior to 19 (nineteen) years from the date of issuance of the same, be entitled to call upon the Company to convert all or any of the Series A CCPS by issuing a Notice to the Company accompanied by a share certificate representing the Series A CCPS sought to be converted. Immediately and no later than 30 (thirty) days from the receipt of such Notice, the Company shall issue Equity Shares in respect of the Series A CCPS sought to be converted. The record date of conversion of the Series A CCPS shall be deemed to be the date on which the holder of such Series A CCPS issues a Notice of conversion to the Company. The Series A CCPS, or any of them, if not converted earlier, shall

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automatically convert into Equity Shares at the then applicable conversion rate, (i) on latest permissible date prior to the issue of Shares to the public in connection with the occurrence of a Public Offer under Applicable Law, or (ii) on the day following the completion of 19 (nineteen) years from the date of issuance of the same.

Subject to the adjustments provided in Sections 5, 6, 7 and 8 below, each Series A CCPS shall convert into 1 (one) Equity Share, such that on conversion of all the Series A CCPS ("Conversion Ratio"), the Investor shall hold 49.21% (forty nine point two one percent) of the paid up equity share capital of the Company, as on the Closing Date. No fractional Shares shall be issued upon conversion of Series A CCPS, and the number of Equity Shares to be issued shall be rounded up to the nearest whole number.

5. **Valuation Protection.** Until completion of a Public Offer, if the Company offers any Dilution Instruments to a new investor or a third party after the Closing Date, at a price (the "New Price") less than the then effective conversion price of the Series A CCPS ("Dilutive Issuance") then the holders of Series A CCPS shall be entitled to a full ratchet basis anti-dilution protection as provided for in SCHEDULE 5 (the "Valuation Protection Right"). In such an event the Company and Promoters shall be bound to cooperate with the holders of Series A CCPS, such that the Company forthwith takes all necessary steps as detailed in SCHEDULE 5 to either adjust the conversion ratio or in the event the holders of the Series A CCPS have already converted the Series A CCPS, prior to a proposed Public Offer, then to issue additional Equity Shares to the holders of Series A CCPS in accordance with the terms and procedure described in this SCHEDULE 6. In the event of a Dilutive Issuance, if Series A CCPS are outstanding, then the Conversion Ratio shall be immediately adjusted in the manner provided in this SCHEDULE 6. The Company shall Notify the holders of Series A CCPS of the impact of the Dilutive Issuance prior to such issuance and obtain confirmation from the holders of Series A CCPS that the same conforms to these Terms of Issue.

6. **Adjustments.**

- (a) If, whilst any Series A CCPS remain capable of being converted into Equity Shares, 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 Series A CCPS shall, subject to Applicable Law and receipt of requisite approvals, 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 Series A CCPS shall be proportionately decreased in the case of a consolidation (reverse stock split).
- (b) If, whilst any Series A CCPS remain capable of being converted into Equity Shares, the Company makes or issues a dividend or other distribution of Equity Shares to the holders of Equity Shares then the number of Equity Shares to be issued on any subsequent conversion of Series A CCPS shall, subject to Applicable Law and receipt of requisite approvals, be increased proportionately and without payment of additional consideration therefor by the holders of Series A CCPS.

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- (c) 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 Series A CCPS 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 Series A CCPS immediately prior to the record date of such re-classification or conversion.
- (d) The holders of Series A CCPS shall be entitled to the cumulative benefit of all adjustments referred to herein.
- (e) Each Series A CCPS shall convert into 0.95662 (zero point nine five six six two) Equity Shares, subject to the adjustments provided in Sections 5, 6, 7 and 8 of SCHEDULE 6, in the event that the Company sells its units at 105/106/107 Shreyas Industrial Estate, off Link Road, Andheri West, Mumbai 400053 ("Shreyas Property") by December 31, 2015 for a consideration equal to or greater than INR 11,00,00,000 (Indian Rupees eleven crores) ("Shreyas Property Price"). This amount shall include any payment that the Company receives from the property, including but not limited to rent, consideration of any kind and any and all other receivables. Notwithstanding anything to the contrary, for the adjustments to apply in accordance with this Section 6 (e) of SCHEDULE 6 in the event that the sale of the Shreyas Property occurs after December 31, 2015, the Shreyas Property Price shall be increased by 15% (fifteen percent) per annum (on a compounded basis) after December 31, 2015.

7. Liquidity and Participation Preference.

- (a) In any Liquidity Event the holders of Series A CCPS shall have a preference over the other Shareholders of the Company (including the Promoters and other Shareholders, if any) for return of capital as set out hereinafter. The proceeds of a Liquidity Event shall be distributed such that the holders of Series A CCPS receive an amount equal to the Liquidity Preference Amount.
- (b) The other Shareholders of the Company shall be entitled to participate proportionately in the proceeds of a Liquidity Event only upon the holders of Series A CCPS achieving its Liquidity Preference Amount. Any incremental Shares that need to be issued or Transferred to the holders of Series A CCPS to facilitate the realisation of the Liquidity Preference Amount shall be made at the option of the holders of Series A CCPS by (i) an adjustment of the Conversion Ratio or conversion price of the Series A CCPS; (ii) issue of additional Shares to the Investor at the Lowest Permissible Price; (iii) Transfer of Shares held by the Promoters to the Investor at Lowest Permissible Price under Applicable Law (iv) payment of due consideration to the Investor at an agreed price by the Promoters; (v) buy back of Shares held by Promoters and other Shareholders; (vi) reduction of the sale proceeds receivable by the Promoter; (vii) by taking such measures as may be necessary to ensure that the holders of Series A CCPS realise the Liquidity Preference Amount. However, the holders of Series A CCPS will be entitled to realise the Liquidity Preference Amount other than by means affecting the personal Assets of the Promoters which shall not

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include their shareholding in the Company/ Group Entities.


8. **Liquidation and Participation Preference.**

- (a) In any Liquidation Event the holders of Series A CCPS shall have a preference over the other Shareholders of the Company (including Promoters and other Shareholders, if any) for return of capital as set out hereinafter. In the event of the occurrence of a Liquidation Event, the surplus, if any remaining, after making payments as per the priority of payments required under Applicable Law shall be applied such that the holders of Series A CCPS receive the Liquidation Preference Amount.
 - (b) The other Shareholders of the Company shall be entitled to participate proportionately in the proceeds of a Liquidation Event only upon the holders of Series A CCPS achieving its Liquidation Preference Amount. Any incremental Shares that need to be issued or Transferred to the holders of Series A CCPS to facilitate realisation of the Liquidation Preference Amount shall be made at the option of the holder of Series A CCPS by (i) an adjustment of the Conversion Ratio or conversion price of the Series A CCPS; (ii) issue of additional Shares to the Investor at the Lowest Permissible Price; (iii) Transfer of Shares held by the Promoters to the Investor at Lowest Permissible Price under Applicable Law; (iv) payment of due consideration to the Investor at an agreed price by the Promoters; (v) buy back of Shares held by the Promoters and other Shareholders; (vi) reduction of the sale proceeds receivable by the Promoters; (vii) by taking such measures as may be necessary to ensure that the holders of Series A CCPS realise the Liquidation Preference Amount. However, the holders of Series A CCPS will be entitled to realise the Liquidation Preference Amount other than by means affecting the personal Assets of the Promoters which shall not include their shareholding in the Company.
9. **Senior Rights.** The Investor Shares shall rank senior to all other preference shares and other instruments that are outstanding and which may be issued by the Company from time to time in all respects including but not limited to voting rights, dividends and liquidation/ liquidity preference and bonus issuances. The holders of Series A CCPS shall be entitled to all superior rights or other rights that may be given to any other investor, if any, in the future.
10. **Additional Rights.** The Company shall not and Promoters shall ensure that the Company does not grant any other current/potential investor any rights which are more favourable than those granted to the holders of Series A CCPS. If the rights granted to any other investor are at variance with rights of the Series A CCPS, the holders of Series A CCPS shall be entitled to such favourable terms as are offered by the Company to such investor.
11. **Registration rights.** The Investor shall receive typical and customary registration rights, where available, in all global market(s) where the Company lists the Shares. Termination of the Definitive Agreements pursuant to Public Offer shall not affect the obligation of the Company to provide registration rights to the holders of Series A CCPS.


12. **Meeting and voting rights.** The holders of Series A CCPS shall be entitled to attend meetings of all Shareholders of the Company and, will be entitled to such voting rights on an As If Converted Basis, as may be permissible under Applicable Law. Accordingly, but subject to adjustments as set forth herein, the holders of Series A CCPS shall be entitled to the same number of votes for each Series A CCPS as a holder of 1 (one) Equity Share, provided however that in the event of any adjustment in conversion the number of votes associated with each Series A CCPS will change accordingly. The holders of Series A CCPS shall be entitled to vote on all such matters which affect their rights directly or indirectly.


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

For the within-named Investor



Name: Shariff Golam Hossen

Title: Director

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

For the within-named Company



Name: Rajesh Khakhar
Title: Director

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

For the within-named Illusion Dental Laboratory Private Limited




Name: Rajesh Khakhar

Title: Director

[Intentionally left blank]

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

For the within-named Laxmi Dental Lab USA Inc.



Name: Rajesh Khakhar
Title: Director

[Intentionally left blank]

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

For the within named Promoter

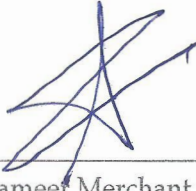


Name: Rajesh Khakhar

[Intentionally left blank]

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

For the within named Promoter

A handwritten signature in blue ink, consisting of several overlapping loops and strokes, positioned above a horizontal line.

Name: Sameer Merchant

[Intentionally left blank]

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

For the within named Promoter



Name: Jigna Khakhar

[Intentionally left blank]

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For the within named Promoter

Alka K. Merchant

Name: Alka Merchant

[Intentionally left blank]

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For the within named Promoter

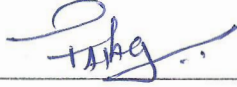
Desai Amrish

Name: Amrish Desai

[Intentionally left blank]

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For the within named Promoter



Name: Parag Bhimjiyani

[Intentionally left blank]

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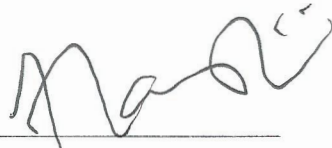


Name: Hasmukh Khakhar

[Intentionally left blank]

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

For the within named Promoter



Name: Harshil Kakadia

[Intentionally left blank]