

- c) (i) In the event of any investment whatsoever by any Potential Investor into the Company incorporated by the Startup at any time after the Effective Date hereof, the Service Provider shall have the right, at their sole and absolute discretion, to co-invest along with such Potential Investors up to a maximum of Thirty percent (30%) of the total investment proposed to be raised by the Startup from such Potential Investors at the given point of time till the Startup reaches a Pre-money Valuation of INR Sixty Crores (INR 60,00,00,000/-) or US Dollars Ten million (US\$ 10,000,000), whichever is higher. In the event of such co-investment into the Company by the Service Provider, the Startup shall ensure that the Service Provider is provided with rights similar to those provided to the Potential Investors proportionate to the Service Provider's shareholding in the Company including but not limited to the rights set out in Section 4.1 hereunder.
- (ii) The price at which the Service Provider shall be allotted and issued equity shares (or such other securities as are proposed to be allotted and issued to the other Potential Investors for their investment) for the investment by the Service Provider shall be calculated based on a discount of Thirty percent (30%) of the Pre-money Valuation, i.e. the price at which the Service Provider shall be issued and allotted equity shares (or such other securities) shall be at a Thirty percent (30%) discount to the price per share / other security at which such shares / other securities are to be allotted and issued to the Potential Investors. The Service Provider shall have the absolute right to transfer / assign / novate in whole (or in part), and in one or multiple stages, their right to investment in the Company and/or the shares / other securities that may be held by them in the Company from time to time to any other persons or entities as they deem appropriate and the Startup shall do all the necessary corporate actions to facilitate and perfect the issue / transfer of such shares / other securities to such nominee(s) of the Service Provider.
- (iii) Where the Startup incorporates a new entity outside India for similar product/ideas or correlated activities of the Business or to raise funding for the development of products or its Business as contemplated under this Agreement, the Service Provider shall at their discretion have the right to co-invest, as

mentioned above, as they deem fit in such entities outside India by themselves / through their nominee(s). The terms and conditions in relation to the Service Provider's (and/or their nominees') shareholding in the Startup shall be as set forth in a Shareholders Agreement as contemplated in Section 4.1 hereunder.

(iv) The Service Providers will have this right to co-invest at a discount, for only one (1) round of investment proposed to be raised by the Startup. The Service Providers will have the right to invest in future rounds of investment proposed to be raised by the Startup in proportion to its shareholding should it desire to do so, but without a discount.

- d) If the Startup receives any funding in any manner, by way of equity, debt, convertible debt, grants, financial discounts, etc., from any such Potential Investors introduced by the Service Providers, the Startup agrees to pay the Service Provider an arranger's fee of Two-and-a-half percent (2.5%) of the total funding received by the Startup from such Potential Investors. Such amounts shall be payable by the Startup to the Service Provider within Twenty (20) days from the date of receipt of any such funds / financial benefits whatsoever by the Startup from the Potential Investor.
- e) In the event that the Business, assets, Founding Team and/or the intellectual property rights of the Startup are wholly / partly sold, transferred or surrendered to any Potential Acquirer and/or the Founding Team or any of them take up employment / engagement with any Potential Acquirer and the Startup receives any consideration whatsoever in cash / kind as mentioned above in connection with such sale, transfer or surrender and/or the mass resignation and/or movement of the Founding Team or any of them to employment / engagement with another Potential Acquirer, the Startup agrees to pay the Service Provider Twenty percent (20%) of the aggregate value of all consideration whatsoever (including but not limited to cash, securities, options any other properties and assets whatsoever) received (or to be received over a period of time) by the Startup. Such amounts shall be payable by the Startup to the Service Provider within Twenty (20) days from the date of receipt of any such funds / financial benefits / consideration whatsoever in kind by the Startup from the Potential Acquirer.

- 3.2 If and when the Startup reaches/crosses a valuation of INR Sixty Crores (INR 60,00,00,000/-) or US Dollars Ten million (US\$ 10,000,000), and it raises further investment, the Service Provider shall also have the right to invest in the Startup in proportion to its shareholding at the time of such investment should it desire to do so.
- 3.3 The Startup undertakes to keep the Service Provider informed in writing every time it proposes to bring in further investment or funds in the Startup either from the existing shareholders or from third party investors at any time after the Effective Date at least Fifteen (15) days before it enters into negotiations to raise such investments / funds. The Startup shall also notify the Service Provider within Ten (10) days of entering into any sale / supply / license / services agreement with any Potential Customers.
- 3.4 For the avoidance of doubt, it is hereby agreed and confirmed by the Startup and Founders that:
- (i) the Batch Program Services offered by the Service Provider as set out in Part A of Schedule A during the Batch Program Phase shall constitute adequate consideration for the Program Fees paid/payable to the Service Provider as set out in Clause 3.1 (a) and the right to invest provided to the Service Provider as set out in Clause 3.1 (c); and
 - (ii) the Batch Program Services offered by the Service Provider as set out in Part A of Schedule A during the Batch Program Phase and the Graduation Support Services as set out in Part B of Schedule A to be provided by the Service Provider on a best efforts basis shall, irrespective of the contingency of termination of this Agreement during its term as set out in Section 6.1, constitute adequate consideration for the revenue sharing to be paid as per Section 3.1(b), the discounted price at which shares / other securities are to be allotted and issued to the Service Provider by the Startup as per Section 3.1(c), the arranger's fee to be paid as per Section 3.1(d) and the amounts to be paid as per Section 3.1(e). The Startup agree/s to make prompt payment of the amounts mentioned in Section 3.1 (b), 3.1(c), 3.1(d) and 3.1(e) above and 3.6 and 3.7 below, time being of the essence.

B. Consideration for Services rendered to the Founders in their individual capacity

3.6 Job Referral

The Service Provider may from time to time introduce a Founder to potential employers (“**Potential Employer**”). If a Founder receives and accepts an offer of employment from a Potential Employer, the Founder agrees to pay the Service Provider an amount

equal to Ten percent (10%) of the Founder's annual salary on a Cost to Company basis for his/her first year of employment within Fifteen (15) days from the date of first salary disbursement by such Potential Employer, time being of the essence. For the avoidance of doubt, it is hereby agreed and confirmed by the Founders that the services provided by the Service Provider in introducing the Founders (or any of them) to the Potential Employer thereby assisting the Founder in obtaining employment constitutes adequate consideration for the amounts payable by the Founder in accordance with this Section 3.6.

3.7 Acquisition of the Startup or Acquire of Founding Team

In consideration of the Services provided by the Service Provider to the Founders and the Startup in accordance with this Agreement, each of the Founders agree to pay the Service Provider Twenty percent (20%) of the aggregate value of all cash bonuses (including sign-on bonuses and retention / staggered bonuses) and all other consideration whatsoever (including but not limited to cash, securities, options any other properties and assets whatsoever) received (or to be received over a period of time) by the Founder in the following events:

- a) If the Startup is acquired wholly / partly by a Potential Acquirer and the Founder receives any such consideration as mentioned above paid / payable in cash / kind for either (a) purchase of shares and other securities or the stake held by the Founder in the Startup and/or (b) otherwise in connection with / consideration for such acquisition; or
- b) If the business, assets, Founding Team and/or the intellectual property rights of the Startup are wholly / partly sold, transferred or surrendered to any Potential Acquirer and/or the Founding Team of the Startup take up employment / engagement with any one other person / entity and the Founder receives any consideration whatsoever in cash / kind as mentioned above in connection such sale, transfer or surrender and/or the mass resignation and/or movement of the Founding Team to employment / engagement with a Potential Acquirer.

For the purpose of this clause 3.7, it is expressly clarified and acknowledged by the Startup and Founders that hiring either of all Founders of the Startup or of the Founding Team as a whole by a Potential Acquirer shall be deemed to be an acqui-hire in terms

of this clause 3.7 and the Service Provider will be eligible to receive from the Startup and/or the Founders / Founding Team as the case may be, 20% of the combined first-year salary of the Founders/Founding Team that is so hired by the Potential Acquirer.

3.8 It is acknowledged and confirmed by the Founders that the Services provided by the Service Provider as per this Agreement, which will benefit the Founders and Founding Team as well, constitutes adequate consideration for the amounts payable by the Founders to the Service Provider in terms of Section 3.7 above. The amounts referred to in Section 3.7 above shall be payable by the Founder within Fifteen (15) days of the Startup / Founder agreeing to any of the events referred to in Section 3.7 above or the occurrence of the said events, whichever is earlier.

3.9 For the avoidance of doubt, it is clarified that Section 3.6 and Section 3.7 are intended to be mutually exclusive. Therefore, if any Founder makes any payment to the Service Provider under Section 3.7 on account of taking up employment under any of the scenarios prescribed in Section 3.7, then in order to avoid any double payment by the said Founder, he/she will be excluded from making any payment under Section 3.6.

4 COVENANTS

A. Covenants of the Startup

4.2 The Startup undertakes to incorporate itself as a Company under the Companies Act, 2013 and transfer the Business and all assets of the Startup to the Company. In the event of any proposed investment by the Service Provider pursuant to Section 3.1 above, the Parties agree to enter into a Shareholders Agreement along with the Potential Investors and all other shareholders of the Startup prior to such investment by the Service Provider in the Startup. The aforesaid Shareholders Agreement, which shall be congruous with this Agreement and the interests of the Service Provider and in a form and manner acceptable to the Service Provider, shall mandatorily incorporate the following:

- a) Tag along rights: In the event of sale of shares in the Startup by the shareholders to third parties, and if so requested by the Service Provider/ its nominee(s), the selling parties shall ensure that the acquiring third parties also acquire the shares held by the Service Provider/ its nominee(s) on the same proportional conditions as the selling

parties as a pre-condition to any such sale by the shareholders. The Parties agree that the valuation of shares regarding the aforesaid transaction shall not be prejudicial and detrimental to the reasonable commercial interests of the Service Provider. In the event of such proposed sale of shares in the Startup by the shareholders to third parties, if the Service Provider is of the opinion that the price at which shares are being offered to the third party is lower than the fair value of the shares, the Service Provider will have the right of first refusal to purchase the shares being offered to the third party at the price at which the shares are being offered to the third party.

- b) Drag along rights: In the event of collective exit to an independent third party, the majority shareholder may require the other shareholders to mandatorily sell their shares to the said independent third party. The sale of shares shall be on the same proportional conditions for each shareholder as all other shareholders. The Parties agree that the valuation of shares regarding the aforesaid transaction shall not be prejudicial and detrimental to the reasonable commercial interests of the Service Provider.
- c) Anti-dilution: The shareholding percentage held by the Service Provider in the Startup shall not be diluted till the Startup, as valued by an independent auditor satisfactory to the Service Provider, reaches a Pre-money Valuation of US Dollars that is higher than the valuation at which the Service Provider has invested in the Startup, up to a maximum Pre-money Valuation of USD 10 Million Dollars, except unless the Service Provider decides not to invest along with the Potential Investors in terms of Section 3.1 above.

4.3 The Startup shall, upon incorporation of the Company and within a period of Fifteen (15) days from the date of incorporation of the Company, ensure that the Company completes the following:- (a) signs a deed of adherence to this Agreement in a form and manner satisfactory to the Service Provider agreeing to abide by all of the confirmations and obligations of the Startup and Company as mentioned in this Agreement; and (b) furnishes to the Service Provider a certified true copy of resolutions passed by the Board of Directors and the shareholders of the Startup / Company ratifying the consideration payable / to be provided as mentioned in Section 3.1 as being reasonable and appropriate consideration for the Services provided by the Service Provider.

- 4.4 The Startup shall not transfer, assign, license, sub license or enter into any arrangement whatsoever and shall not deal with their interests or rights in the Services with any person/s or institutions in any manner whatsoever without the previous written permission and consent of the Service Provider. If, in case any such permission is once granted, the same shall be by a separate agreement as per the terms decided by the Service Provider.
- 4.5 The Startup shall inform Service Provider in writing of any proposed change in the corporate structure of the Startup and/or any proposed investment in the Startup at least Thirty (30) days prior to such proposed change / investment.
- 4.6 If the Service Provider has invested in the Company and as long as the Service Provider holds shares in the Company, the Startup shall not, without the approval of the Service Provider, undertake or permit the following the actions:
- (a) undertake or permit any merger, consolidation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstitution.;
 - (b) revalue its assets any time during the term of this Agreement; and
 - (c) transfer, assign, dispose of, pledge, charge, hypothecate, mortgage or create any lien or in any way encumber any of its undertakings, properties and assets or Business in favour of any third party.
 - (d) change the nature or scope of the Business and of any event or condition, which might materially and adversely affect or delay growth or development of the Business.
- 4.7 The Startup shall promptly notify the Service Provider in the following circumstances:
a) on the happening of any event which will have or likely to have an adverse effect on the Business; and b) force majeure circumstances and/or circumstances beyond the reasonable control of the Startup against which the Startup may or may not have insured its properties.
- 4.8 The Startup shall comply with all the Laws for the time being in force that would be applicable to the Startup and shall comply with any regulations therein including but

not limited to filing of any forms, acquiring any licenses, submitting any returns with any statutory authority or any Government.

- 4.9 The Startup undertakes to provide a monthly general update on its Business and financial affairs on or before the Tenth (10th) business day of every month.
- 4.10 The Startup also undertakes to submit itself to the annual audit of the Service Provider, which shall be carried out at the sole discretion of the Service Provider. The Startup, upon written request of the Service Provider, undertakes to provide all the pertinent documents, records and information as required by the Service Provider during the tenure of this Agreement.
- 4.11 All indirect taxes, if any, payable in connection with the services provided by the Service Provider to the Startup and/or the consideration payable or to be provided by the Startup for the same shall be borne solely by the Startup and shall be paid in addition to the amounts and other consideration referred to in Section 3.1 above.

B. Covenants of the Founders in their individual capacity

- 4.11 Each of the Founders covenant in their individual capacity as follows:
 - (a) The Founder shall keep the Service Provider informed of all developments pertaining to securing an employment with any Potential Employer. The Founder shall also notify the Service Provider in writing within Seven (7) days of receiving an offer of employment from a Potential Employer. Such notice shall also enclose a copy of the offer letter.
 - (b) The Founder shall duly inform the Service Provider in writing within Seven (7) days of the Startup / Founder entering into any discussions with any person for a sale, transfer or surrender in whole / in part of the Startup or its business or the Founding Team or any of the assets of the Startup including its intellectual property rights.
 - (c) The Founder shall duly and promptly inform the Service Provider in writing within two (2) days of any change in employment, engagement or time spent on the business of the Startup by any of the Founding Team including the Founder.

5 MONITORING COMMITTEE

- 5.2 The Service Provider shall be entitled to appoint a Monitoring Committee comprising of the representatives of the Service Provider and other experts for evaluating the performance of the Startup and its Business.
- 5.3 The Monitoring Committee shall monitor the Business and activities of the Startup.
- 5.4 The Startup shall permit the Monitoring Committee or any Authorized Representative of the Service Provider to carry out technical and financial inspections during the term of this Agreement and to inspect all records, documents, registers and accounts of the Startup. Any such representative of the Monitoring Committee or Service Provider shall have free access at all reasonable times to any part of the Startup's assets and to its records, registers and accounts and to all schedules, costs, estimates, plans and specifications relating to the Business and shall receive full co-operation and assistance from the employees of the Startup.

6 TERM AND TERMINATION

- 6.2 This Agreement is valid from the Effective Date and shall be in force for a period of Five (5) years and six (6) months from the date of commencement of the Batch Program.
- 6.3 This Agreement can be renewed or amended on such terms as may be mutually agreed to by the Parties.
- 6.4 The Startup shall be entitled to terminate this Agreement within sixty (60) days of commencement of the Batch Program by giving seven (7) days prior written notice to the Service Provider. In the event the Startup terminates the Agreement within the aforementioned 60-day period, the Service Provider shall refund the Program Fees as set out in Section 3.1 (a) of this Agreement paid by the Startup/Founders. A Founder of the Startup is also entitled to terminate the Agreement vis-à-vis himself/herself and his/her obligations and rights hereunder within sixty (60) days of commencement of the Batch Program by giving seven (7) days prior written notice to the Service Provider and in the event of such termination, he/she will be entitled to be refunded his/her pro rata share of the Program Fees paid by him/her. It is, however, understood that in order for a Startup to continue being part of the Batch Program, not less than two of the Founders should remain with the Startup and if there is less than two Founders remaining (the others having dropped out with prior notice as set out herein),

the Startup as a whole will be deemed to have terminated the Agreement. Neither the Startup of any of the individual Founders shall be entitled to terminate this Agreement at any time after the aforementioned sixty (60) day period during the term of the Agreement as set out in Section 6.1.

6.5 The Service Provider shall have the right to terminate this Agreement and/or discontinue provision of the Services during its term as set out in Section 6.1, after giving a Fifteen (15) days' notice, in the following circumstances and no refund shall be due to the Startup and/or the Founders upon such termination.

- (a) Where the Startup or any of its Founders violates any of the terms and conditions of this Agreement or the Shareholders Agreement executed in pursuance of this Agreement; or
- (b) Where the Startup or any of its Founders violates any representation and warranties mentioned hereinabove and such other rules and regulations as may be framed by Service Provider, from time to time; or
- (c) Where the Startup or any of its Founders, commits any fraud, theft or any other offence punishable under law; or
- (d) Unsatisfactory performance of the Startup and/or any of its Founders as per the sole determination of the Monitoring Committee.

6.6 For the avoidance of doubt, it is agreed that any termination of this Agreement shall not affect any shares and securities subscribed to / held by the Service Provider (and their nominees) and their rights as shareholders in the Startup; and the Service Provider (and their nominees) will be entitled to retain such shares and securities held by them in the Startup. It is further clarified and agreed that the termination of this Agreement by the Service Provider prior to expiry of the term as set out in Section 6.1, shall not, in any manner, adversely affect the rights of the Service Provider under Section 3. All other provisions of this Agreement (including the indemnity obligations of the Startup) as are necessary for the Service Provider to receive the full economic consideration and benefits as referred to in Section 3 shall survive termination of the Agreement and continue to be in force between the Parties.

- 6.7 If the Startup and/or any of the Founders violate / fail to comply with any of the Sections mentioned in this Agreement as applicable to them, the Service Provider will have absolute discretion to take necessary actions including but not limited to initiating legal action for specific performance, claiming damages or other remedies as available under Law.

7 INDEMNIFICATION

The Startup and each of the Founders shall keep the Service Provider indemnified in the event of Losses or damage suffered by the Service Provider owing to any fraud, negligence or misrepresentation or any default in compliance with any of the terms of this Agreement (as are applicable to them) on the part of the Startup and/or the Founders as the case may be.

It is hereby clarified and the Startup and Founders acknowledge that the Services are provided on a best efforts basis and any advice provided by the Service Provider as part of the same should be relied upon by the Startup/Founders only as the Startup and Founders believe to be necessary. The Service Provider does not represent or warrant that the Services (including but not limited to any advice provided thereunder) are designed to meet the Startup's Business requirements or to guarantee any success in the growth of the Startup's Business or the growth in the careers of the Founders or Founding Team. The Startup and Founders acknowledge and agree that under no circumstances shall the Service Provider be held liable or responsible for any Losses or damage suffered by the Startup and/or the Founders owing to their reliance on the advice provided by the Service Provider under or in connection with this Agreement.

8 MISCELLANEOUS

8.2 Service of Notice

Service of a notice or any communication must be effected by one of the following methods:

- (a) by hand to the relevant address as set out in Section 8.2 and shall be deemed served upon delivery, if delivered during a business day or at the start of the next business day, if delivered at any other time; or

- (b) by prepaid first-class post/registered post/speed post to the relevant address set out in Section 8.2 and shall be deemed served at the start of the Fourth (4th) business day after the date of posting; or
- (c) by electronic mail transmission in “portable document format” (“.pdf”) to the relevant e-mail addresses set out in Section 8.2 and shall be deemed served on dispatch, if dispatched during a business day or at the start of the next business day, if dispatched at any other time, provided that in each case a receipt indicating complete transmission of the notice is obtained by the sender.