**FOUNDERS AGREEMENT**

This Founders Agreement (“**Agreement**”) is executed on this [.] day of [.], 2017 (“**Effective Date**”) is entered between

1. **SPARKT PRIVATE LIMITED,** a private limited company incorporated under the Companies Act, 2013 and having its registered office at Le Royale, Flat No. 6 S. No. 91/94, Salunke Vihar Road, Wanawadi, Pune- 411040 and CIN as U72200PN2016PTC164766 (hereinafter referred to as the “**Company**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);
2. **REVENT TECHNOLOGIES PRIVATE LIMITED,** a private limited company incorporated under the Companies Act, 2013 and having its registered office at Le Royale, Flat No. 6, S. No. 91/94, Salunke Vihar Road, Wanawadi, Pune- 411040 and CIN as U72900PN2016PTC157907 (hereinafter referred to as “**RTPL**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);
3. **SHAZEB SHAIKH**, an Indian Inhabitant having his address as 10, Banaji Street, 5th Floor, Flora Fountain, Mumbai-400001 and PAN as BJFPS9305H (hereinafter referred to as **“Founder 1”** which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his respective legal heirs, executors and administrators);
4. **SHELDON DSOUZA**, an Indian Inhabitant having his address as 102, Dialani Astoria, Vakola Pipeline Road, Santacruz East, Mumbai 400055 and PAN as AJQPD1175J (hereinafter referred to as **“Founder 2”** which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his respective legal heirs, executors and administrators); and
5. **PRITESH ANGANE**, an Indian Inhabitant having his address as 23/ Yashoda Nivas, R.N. Gandhi Road, Vidyavihar  (E), Mumbai-400077 and PAN as AITPA8374L (hereinafter referred to as **“Founder 3”** which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his respective legal heirs, executors and administrators).

Founder 1, Founder 2 and Founder 3 shall be individually referred to as “**Founder**” and collectively referred to as the “**Founders**”. The Company, RTPL and Founders shall be individually referred to as “Party” and collectively referred to as the “Parties”.

**WHEREAS:**

1. The Company is a wholly owned subsidiary of RTPL and is engaged in the business of boutique of services in marketing, media (online and offline), software & technology solutions to its clients, including but not limited to services such as consulting, communication, content development, product support, interactive experiences and marketing sciences (“**Business**”).
2. The Parties wish to record their mutual understanding pertaining to their relationship as shareholders of the Company, including roles & responsibilities, representations and affairs of the Company and other covenants set forth in the Agreement herein.

**NOW, THEREFORE,** the Parties hereto agree as follows:

1. **ROLES AND RESPONSIBILITIES**
2. Each Founder agrees to fulfil the responsibilities as set out in **Schedule I** hereinbelow that are consistent with the scope of expertise and other employment obligations of such Founder.
3. Each Founder shall perform their respective responsibilities in a diligent and efficient manner and shall comply with all applicable laws, Company’s work place policies or procedures on intellectual property rights security, confidentiality, network security and other policies and guidelines from time to time.
4. **SHAREHOLDING STRUCTURE OF THE COMPANY**
5. As on the Effective Date, the shareholding pattern of the Company is as per **Schedule II** hereinbelow.
6. The shares allocated to the Founders are in consideration of their services and work carried out since the inception of the Company.
7. The shareholding of each Founder shall not exceed more than 5% (five percent) per Founder unless otherwise agreed by the Parties in writing.
8. It is hereby clarified that the equity shares allocated to all the stakeholders including RTPL and the Founders are ordinary shares with equal voting rights equal to their respective shareholding percentage in the Company at the meeting of Shareholders.
9. It is hereby agreed between the Company, RTPL and the Founders that the Founders shall not dilute their shareholding less than 5% (five percent) at any given time; except when there is an investment in the Company for more than INR [.] within 3 (three) years from the date of this Agreement. On happening of such specific event, the Founders shall dilute not more than 1% (one percent) of their shareholding in the Company.
10. The equity shares allotted to the Founder shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the equity shares shall rank pari passu with other existing equity shares of the Company from the date of their allotment. Such equity shares shall be entitled for dividend for the complete financial year, if any, declared for the financial year of the Company in which the shares are allotted.
11. **TAG-ALONG RIGHTS**
12. If RTPL and/or the Company (“**Selling Shareholders**”) propose a transfer of their shareholding (either in part or full) to any third party purchaser in a bonafide arms length transaction or series of transactions including by way of purchase agreement, tender offer, merger or other business combination transaction or otherwise then the Selling Shareholders shall give written notice (“**Tag Along Notice**”) to each Founder in reasonable detail the terms and conditions of such proposed transfer of equity shares, including the proposed amount and form of consideration, terms and conditions of payment and a summary of any other material terms pertaining to the transfer.
13. The Founders shall have the right, exercisable upon written notice to the Selling Shareholders within 30 (thirty) days after receipt of any Tag Along Notice, to participate in the proposed transfer (on pro-rated basis to their shareholding) by the Selling Shareholders to the proposed purchaser (“**Tag Along Transferee**”) on the terms and conditions set forth in the Tag Along Notice.
14. **BOARD, KMPs AND SHAREHOLDERS MEETINGS**
15. All meetings of the Board and Shareholders shall be in accordance with the Companies Act, 2013 and the Articles of Association of the Company.
16. It is hereby agreed between the Parties, that the Founders shall collectively have a right to appoint 1 (one) director who shall represent all the Founders at the meetings of the Board. Founders hereby appoint Mr. Sheldon Dsouza as their elected director.
17. It hereby agreed between the Parties that the following directors shall be the present members on the Board of Directors of the Company:
18. Mr. Aditya Chandra;
19. Mr. Tariq Rahimtulla; and
20. Mr. Sheldon Dsouza.
21. The Board of Directors shall be responsible to nominate all top management and will be responsible for the policies, strategies, budget and other material business issues related to the Company without any recourse or consent from any Founders.
22. Each Party hereby agrees, acknowledges and ratifies that the following persons shall be a part of the management of the Company, in the following capacity and having the responsibilities as set out in **Schedule I**:
23. Founder 1 - Mr. Shazeb Shaikh as the Chief Creative Officer;
24. Founder 2 – Mr. Sheldon Dsouza as the Chief Operating Officer; and
25. Founder 3 – Mr. Pritesh Angane as the Chief Strategy Officer.
26. In the event of a pre-mature exit of the Founder(s), the following shall be the consequences as per the four Scenarios stated hereinbelow-

1. **Scenario 1:**

Within 0-60 Days from the Effective Date- RTPL shall buy the equity shares of the Founders at FMV (as defined hereinbelow).

1. **Scenario 2:**

Within 61-90 Days from the Effective Date- Any member of the Board shall have the right to buy the equity shares of the Founders at FMV.

1. **Scenario 3:**

Within 91-120 Days from the Effective Date- The equity shares of such Founder(s) shall be proportionately be distributed amongst the current shareholders based on their shareholding percentage in the Company at that time.

1. **Scenario 4:**

Beyond 120 Days from the Effective Date: Founder(s) shall have the right to retain the equity shares; however, it is specifically agreed between the Parties that the Founders shall not have access to financial projections, statements and business practices unless such Company information is publicly available.

FMV shall mean [.]

1. Consequences of a pre-mature exit by the Founder: In the event of Founder’s termination of his engagement with the Company as per his terms of engagement or otherwise, such a Founder shall cease to be a founder and shall have no obligations towards running the Company and shall abide by the terms and conditions of this Agreement.
2. **REPRESENTATIONS AND WARRANTIES**
3. Each Party hereby represents and warrants to the other that –
4. He/It has full power and authority to carry out the actions contemplated herein, and that his/it’s entry into and performance of the terms of this Agreement will not infringe the rights of any third party or cause it to be in breach of any obligations to a third party.
5. There is no hindrance, legal, contractual or any other restriction for his/it’s entering into this Agreement and timely fulfilment of his obligations hereunder.
6. He/It possesses all necessary, financial and/or any other means to fulfil all of his/its undertakings under this Agreement.
7. He/It undertakes not to enter into a contract or accept any obligations that are inconsistent or incompatible with his/its undertakings under this Agreement.
8. The execution, delivery and performance of this Agreement shall not conflict with, result in a breach of or default under, or require any consent under, or any Applicable Law, or any order, writ, injunction or decree of any court or governmental authority or agency.
9. He/It shall comply, and shall ensure that all its partners, officers, employees or representatives comply with all applicable laws.
10. Each Founder represents and warrants as under:
11. He undertakes to perform, at all times, faithfully, honestly and diligently, his roles, responsibilities, duties and obligations under this Agreement and shall make his best efforts to promote and enhance the Business of the Company as per **Schedule I**.
12. He has the requisite skill, knowledge, expertise and experience to undertake the responsibilities and activities under this Agreement and the work will confirm to the necessary specifications, as agreed among the Founders.
13. There is no obligation in his personal capacity or on behalf of any other party under any agreements, contracts (oral or written) with companies or third parties which shall conflict with his roles, responsibilities and obligations under this Agreement.
14. All materials of whatsoever nature furnished under this Agreement, and the use thereof by the Company in accordance with the terms and conditions of this Agreement, will not infringe (whether directly, contributory, by inducement or otherwise), misappropriate or violate the intellectual property rights of any third party, or violate the laws, regulations or orders of any governmental or judicial authority.
15. **NON-COMPETE OBLIGATION:**
16. Founders are restricted to be associated or involved in a competing business in the duration when they are legally admitted as Founders of the business.
17. It is specifically agreed between the Parties that the Founders shall sell all their equity shares to the Company at FMV in case the Founder joins a competitor.
18. **NON-DISCLOSURE AND INTELLECTUAL PROPERTY OF THE BUSINESS:**
19. Parties agree to maintain the confidentiality of business ideas, strategies and any other information related to the business. Such information may only be disclosed to a third party as and when needed and with the consent of all Founders. Upon disclosure, third party shall be appraised of the confidentiality provisions of this Agreement and be under an obligation of non-disclosure.
20. The Company will own all intellectual property rights to the projects/works that have been published during the tenure of the Founders. For all the unpublished works, the creators of the intellectual property/Founders shall own all such intellectual property rights of their work(s). The Company shall take express permission from the Founder(s) in writing for any use of such intellectual property at any given time.
21. **GOVERNING LAW, JURISDICTION AND DISPUTE RESOLUTION:**
22. All disputes between Founders inter se and between a Founder and other Parties shall be attempted to be resolved amicably at first.
23. Disputes that are not able to be resolved amicably shall be referred to arbitration under the provisions of Arbitration and Reconciliation Act, 1996 (and any amendments thereto from time to time) in Mumbai with the consent of all the Parties in writing.
24. Arbitration proceedings shall be conducted in English language; an arbitrator shall be appointed by the respective Parties to the dispute. If parties are not able to appoint a single arbitrator, they may appoint a panel of 3 (three) arbitrators, one from the side of each party and both these appointed arbitrators shall appoint a third arbitrator.
25. This Agreement shall be governed in accordance with the laws of India and courts of Mumbai shall hold exclusive jurisdiction over all issues pertaining to the terms of this Agreement.
26. **TERMINATION:**
27. If the Parties determine by unanimous consent to wind up the affairs of the business, this Agreement shall be terminated thereby terminating the relationship between the Parties hereto.

**IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.**

|  |  |
| --- | --- |
| For **SPARKT PRIVATE LIMITED**  Through its Director  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: [.] | Witnesses:  1.  2. |
| For **REVENT TECHNOLOGIES PRIVATE LIMITED**  Through its Director  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: [.] | Witnesses:  1.  2. |
| **SHAZEB SHAIKH**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **SHELDON DSOUZA**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **PRITESH ANGANE**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |

**SCHEDULE I**

**KEY RESPONSIBILTY AREAS OF THE FOUNDERS**

**FOUNDER 1:**

Creative Leadership

Brand and Creative Consulting

Practice Management

Talent Grooming

Culture

**FOUNDER 2:**

Business and Account Management

Client Management

Brand and Media Consulting

Billing and Collections

Operations

Culture

**FOUNDER 3:**

Strategyic Planning

Brand and media consulting

Grooming Talent

Practice Management

Culture

**SCHEDULE II**

**SHAREHOLDING PATTERN OF THE COMPANY AS ON THE EFFECTIVE DATE**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sr. No.** | **Shareholder** | **No. of Shares** | **Percentage** |
|  | **RTPL** | **[.]** | **74.9%** |
|  | **Mehul Desai** | **[.]** | **10%** |
|  | **Shazeb Shaikh** | **[.]** | **5%** |
|  | **Sheldon Dsouza** | **[.]** | **5%** |
|  | **Pritesh Angane** | **[.]** | **5%** |
|  | **Tariq Rahimtulla** | **[.]** | **0.10%** |
| **Total** | | **[.]** | **100%** |

As on the Effective Date the Authorized Capital of the Company is [.] and the issued and paid up capital of the Company is [.].