

This set of Articles of Association has been adopted by the shareholders of the Company by way of passing of a special resolution passed at their Extra-Ordinary General Meeting held on December 18, 2021 in substitution and exclusion of the previous Articles of Association of the Company.

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
FABINDIA LIMITED

The Articles of Association of the Company comprises of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part I and Part II, the provision of Part II shall prevail over Part I of these Articles, subject to applicable law. In case of inconsistency between the provisions of Part II and the provisions of the Restated Shareholder's Agreement dated June 30, 2016 along with schedules as amended by the addendum and amendment no. 1 dated May 11, 2017 ("**Shareholders' Agreement**") which have been included in part II, the provisions of the Shareholders' Agreement shall be applicable. However, Part II shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognised Stock Exchange in India, pursuant to an initial public offering of the Equity Shares of the Company without any further action including any corporate action by the company or by the shareholders.

PART – I

1. CONSTITUTION OF THE COMPANY

- a) *The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*
- b) *The regulations for the management of the Company and for the observance of the shareholders thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- a. **“Act”** means the Companies Act, 2013 and all rules, notifications, circulars and clarifications issued thereunder and shall include all amendments, modifications and re-enactments of the foregoing.
- b. **“Affiliate”** shall have the meaning ascribed to it in the Shareholders’ Agreement.
- c. **“Article”** or **“Articles”** means these articles of association of the Company as originally framed or as altered from time to time or applied in pursuance of the Act.
- d. **“ADRs”** shall mean American Depository Receipts representing ADSs.
- e. **“ADR Facility”** shall mean an ADR facility established/which may be established by the Company with a depository bank to hold any equity shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.
- f. **“ADSs”** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.
- g. **“Board”** shall mean the Board of Directors of the Company, as constituted from time to time, in accordance with Law and the provisions of these Articles.
- h. **“Capital”** or **“Share Capital”** shall mean the share capital, for the time being comprising the Equity Share Capital and preference share capital, as may be the case, raised or authorised to be raised by the Company in terms of these Articles, the Act and the Memorandum of Association of the Company.
- i. **“Consummation of the IPO”** shall mean the receipt of final listing and trading approval from each of the stock exchanges for the listing and trading of the Equity Shares of the Company pursuant to the IPO.
- j. **“Company”** means Fabindia Limited, a company incorporated under the laws of India (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns)
- k. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- l. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.
- m. **“Equity Shares”** shall mean the issued, subscribed and fully paid-up equity shares of the Company;
- n. **“GDRs”** shall mean the registered Global Depository Receipts, representing GDSs.

“GDSs” shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.

- o. **“IPO”** means the initial public offering of the Equity Shares of the Company;
- p. **“Independent Director”** means an ‘independent director’ as defined under the Act and the applicable laws;
- q. **“Investor”** refers to PI Opportunities Fund-I, a trust incorporated and existing under the laws of India, with its principal office at #134, Next to Wipro Corporate Office, Doddakannelli, Sarjapur Road, Bangalore-560 035, of which, Hasham Premji Private Limited (a company incorporated and existing under the laws of India and having its registered office at Hasham Premji House, #5, Janmabhoomi Marg, Fort, Mumbai-400 023, India) is the trustee, and which is an Alternative Investment Fund registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations 2012, represented by its investment manager Hasham Investment and Trading Company Private Limited (a company incorporated and existing under the laws of India and having its registered office at No: 134, Doddakannelli, next to Wipro Corporate Office, Sarjapur Road, Bangalore-560 035, India).;
- r. **“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time.
- s. **“Member”** shall mean:
 - (i) the subscriber to the Memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its register of members;
 - (ii) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company;
 - (iii) every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a depository
- t. **“Minimum Ownership”** with respect to Investor, means the ownership of 8% of the share capital of the Company or 5% of the share capital of the Company if the reduction in the Investor ownership is on account of dilution rather than active sale by any of the investors.
- u. **“Person”** shall mean any natural person, sole proprietorship, partnership, Company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- v. **“Register of Members”** shall mean the register of members to be maintained as per the Act.
- w. **“Seal” or “Common Seal”** shall mean the common seal(s) for the time being of the Company.

- x. **“Securities”** shall have the meaning assigned to the term in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956, as may be amended from time to time.
- y. **“Key Managerial Personnel”** – means (i) Managing director or Chief Executive Officer (CEO) or Manager, (ii) Company Secretary, (iii) whole time director, (iii) Chief Financial Officer (CFO); and (iv) such other officers as may be prescribed under the Act and the relevant Rules.
- z. **“Ownership”** shall have the meaning ascribed to it in the Shareholders’ Agreement.
- aa. **“Share Equivalents”** shall mean any debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

- (a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- (b) The Share Capital of the Company may be classified into: (i) Equity Shares with voting rights; (ii) Equity shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time; and (iii) preference shares, convertible or non-convertible into Equity Shares, as permitted and in accordance with the applicable provisions of the Act and Law, from time to time.
- (c) Subject to Article 4(b), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (d) Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered, to the Company in the conduct of its business, and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. However, the aforesaid shall be subject to the approval of members under the relevant provisions of the Act and Rules.

- (e) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (f) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (g) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is entered on the Register of Members shall for the purposes of these Articles be a Shareholder.
- (h) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- (i) The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- (j) Subject to the provisions of these Articles, the Company shall have the power, subject to and in accordance with the provisions of Section 54 of the Act and other relevant regulations in this regard from time to time, to issue sweat equity shares to its employees and/or Directors on such terms and conditions and in such manner as may be prescribed by Law from time to time.

5. PREFERENCE SHARES

Subject to the provisions of Section 55 and other applicable provisions of the Act and applicable Law, the Company shall have power to issue any Preference Shares, which are liable to be redeemed / convertible into securities on such terms and in such manner as the Company may determine before issue of such preference shares.

6. POWER TO ISSUE SECURITIES

The Company shall, subject to the applicable provisions of the Act and Rules and Regulation, have the power to issue debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other securities or rights which are by their terms convertible or exchangeable into equity shares.

6.A SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act and the terms of these Articles, compliance with applicable law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

7. ADRS/GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Law and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

8. ALTERATION OF SHARE CAPITAL

The Company shall power to alter its share capital in the manner permitted under the provisions of Section 61 of the Act.

9. REDUCTION OF SHARE CAPITAL

The Company may, subject to Section 66 and other applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

9.A POWER TO MAKE COMPROMISE AND ARRANGEMENTS

Subject to the provisions of Section 230 to 240 of the Act and other applicable provisions of these Articles, the Company shall have the power to make compromise or make arrangements with creditors and members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable laws. This Article is not to derogate any power the Company would have under law, if it were omitted.

10. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board or the shareholders as the case may, the Company may purchase its own Equity Shares or other Securities, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and regulations formulated by any statutory/regulatory authority as may be applicable from time to time.

11. VARIATION OF CLASS OF SHAREHOLDERS' RIGHTS

Where the Capital is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the

Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

12. REGISTERS TO BE MAINTAINED BY THE COMPANY

- (a) The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, 1996, cause to be kept the following registers in terms of the applicable provisions of the Act:
 - (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
 - (ii) A register of Debenture holders; and
 - (iii) A register of any other security holders.
- (b) The register(s) and index of beneficial owners maintained by a depository under the Depositories Act, 1996, as amended, shall be deemed to be the corresponding register(s) and index required under (a) above and the Act.
- (c) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

13. SHARES AND SHARE CERTIFICATES

- (a) Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders. Such share certificates shall also be issued in the event of consolidation or sub-division of Shares of the Company.

- (b) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (c) A duplicate certificate of shares may be issued, if such certificate:
 - i. is proved to have been lost or destroyed; or
 - ii. has been defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate, issued under the Common Seal, if any, of the Company and signed by two Directors or by a Director and the Company Secretary, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in dematerialized form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Board / Committee of the Board so decide or on payment of such fees (not exceeding Rupees fifty for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Board shall comply with the applicable provisions of the Act, rules or regulations or requirement of any Stock Exchange and rules made under the Securities Contracts (Regulation) Act, 1956, as amended or any other Act or rules applicable in this behalf.

- (f) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- (g) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (h) All blank forms to be used for issue of share certificates shall be printed and

the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

14. SHARES AT THE DISPOSAL OF THE BOARD

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 and 54 of the Act) and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of right issue, preferential offer or private placement, subject to and in accordance with the Act, Rules and other applicable provisions of law.
- (b) Every Shareholder, or his heir(s), Executor(s), or Administrator(s) shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (c) The Company shall comply with the Companies (Share capital and Debentures) Rules 2014 in respect of issue, re –issue, sub – division, consolidation, renewal of share certificate, sealing and signing of certificates and the records to be maintained of certificates issued by the Company. The Company shall deliver the certificates of all securities as per Section 56 (4) of the Act.

15. Further Issue of Shares

- 1. Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares, either out of unissued share capital or out of increased share capital, then :
 - (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as

nearly as circumstances admit, to the paid-up share capital on those shares at that date by sending a letter of offer, subject to the following conditions, namely;-

- (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;
 - (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.
- 2. Notwithstanding anything contained in sub-clause (1), the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever:
 - (a) If a special resolution to that effect is passed by the Company in general meeting, or
 - (b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.
- 3. Nothing in sub-clause (c) of (1) hereof shall be deemed :
 - (a) To extend the time within which the offer should be accepted; or
 - (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- 4. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued or loans raised by the company:
 - (a) To convert such debentures or loans into shares in the Company; or

- (b) To subscribe for shares in the Company

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (c) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (d) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the Company in General Meeting before the issue of the loans.

16. UNDERWRITING AND BROKERAGE

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Act, Companies (Prospectus and Allotment of Securities) Rules, 2014 and regulations prescribed by SEBI for this purpose as amended from time to time.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

17. CALLS ON SHARES

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- (b) Such days' notice in writing as permitted under the Act, at the least shall be given by the Company of every call (otherwise than on allotment) specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is

determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money

which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree, to and receive from any Member willing to advance the same, the whole or any part of the moneys due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls on any Share may carry interest but then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.
- (k) No Member shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

18. COMPANY'S LIEN

- (a) The Company shall have a first and paramount lien:
 - (i) on every share / debentures (not being a fully paid shares / debentures), and on the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of such share / debenture whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that this Article is to have full effect. The Company's lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such Shares;
 - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person (whether solely or jointly with others), for all money presently payable by him or his estate to the Company; and
 - (iii) on the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures.
 - (iv) Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/debentures.

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- (b) The fully paid-up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
- (c) No equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

The Company may sell, in such manner, as the Board thinks fit, any shares on which the Company has a lien. Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
 - (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- (d) To give effect to any such sale, the Board may cause to be issued a duplicate certificate in respect of such shares and authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
 - (e) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.
 - (f) The provisions of this Article shall *mutatis mutandis* apply to the Debentures of the Company.

19. FORFEITURE OF SHARES

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to

execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

20. TRANSFER AND TRANSMISSION OF SHARES

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form. The Company shall also use a common form of transfer.
- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. All provisions of Section 56 of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registrations thereof.
- (c)
 - (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
 - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (e) The Board shall have power on giving not less than 7 (seven) days previous

notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

- (f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

- (g) Subject to the applicable provisions of the Act and these Articles, the Board shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- (h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
- (j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the

Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

- (k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any member or members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
- (m) A Person becoming entitled to a share by reason of the death or insolvency of a member shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (Ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
- (o) Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been

registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (p) No fee shall be charged by the Company in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- (r) The Company shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.

Provided that any physical transfer shall be allowed by the Company, unless the same is permitted under the Act or rules made thereunder.

21. TERM OF ISSUE OF DEBENTURE

Subject to the applicable provisions of the Act and other applicable law, any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending

(but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

22. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles but subject to the provisions of Law, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the dematerialized form and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, the Company may exercise an option to issue, dematerialize, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

(c) If a Person opts to hold his Securities in dematerialized form through a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(d) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(e) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company.

- (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- (f) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.
- (g) Transfer of Securities:
 - (i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
 - (ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.
- (h) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.
- (i) Certificate Number and other details of Securities in Depository:

All the provisions in the Act or these Articles regarding the necessity to have certificate number/distinctive numbers for Securities issued by the Company shall not apply to Securities held with a Depository.
- (j) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

23. NOMINATION BY SECURITY HOLDERS

A holder of a security may appoint a nominee for his securities subject to the provisions of Section 72 of the Act and subject to the provisions of the Rules as may be prescribed in this regard.

24. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

25. BORROWING POWERS

- (a) Subject to the provisions of Section 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
 - (i) accept or renew deposits from Shareholders;
 - (ii) borrow money by way of issuance of Debentures;
 - (iii) borrow money otherwise than on Debentures; and
 - (iv) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.
- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- (c) Any bonds, Debentures, debenture-stock or other Securities, may if

permissible in Law, be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Provided that Debentures with rights to allotment of shares or conversion into shares shall not be issued except with, the sanction of the Company in a General Meeting accorded by a Special Resolution.

- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the members in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

26. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

27. QUORUM FOR GENERAL MEETING

The quorum for the members' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

28. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he is not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Members present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

29. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

29.A POSTAL BALLOT AND E-VOTING

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended from time to time, or other law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time and other applicable laws.
- (c) The Company shall also provide e-voting facility to the shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014 or any other applicable law.

30. DIRECTORS

- (a) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (Fifteen), provided that the Company may appoint more than 15(Fifteen) directors after passing a special resolution in a General Meeting.
- (b) Nominee Director: Subject to receipt of approval of the public shareholders post listing, by way of a special resolution, at the first shareholders meeting held by the Company post-listing of its Equity Shares pursuant to an IPO, as long as the Ownership of PIOF is not less than the Minimum Ownership and is at least 18% the Investor shall have the right to appoint two Directors on the Board and if the Ownership of the Investor Group is between the Minimum Ownership and 18%, the Investor shall be entitled to nominate one Board seat.
- (c) The first Directors of the Company are:
 - 1) Lt. Gen. (Rtd.) Har Krishan Sibal
 - 2) Mrs. Meena Chowdhury
 - 3) Mr. Madhukar Khera

31. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

32. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called “**the Original Director**”) (subject to such person being acceptable to the Chairman) during the Original Director’s absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than

that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

33. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 27. Any Person so appointed as an additional Director shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

34. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

35. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

35.A INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on its Board, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other law, as may be applicable.

36. REMUNERATION OF DIRECTORS

- (a) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act for each meeting of the Board or any Committee thereof attended by him.
- (b) The sitting fees payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- (c) The Directors shall be paid such further remuneration (if any), as the Company in General Meeting shall from time to time determine, and such further remuneration shall be paid to or divided among the Directors or some or any of them in such proportion and manner as the Directors may from time to time determine;

37. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

Subject to the provisions of the Act and Law, if any Director is called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

38. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 30 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

39. VACATION OF OFFICE BY DIRECTOR

The office of a Director, shall *ipso facto* be vacated on the grounds as mentioned in Sections 167 of the Act.

40. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/ EXECUTIVE DIRECTOR(S) / MANAGER

- a) Subject to the provisions of the Act and of these Articles, the Board shall

have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Whole time Director/s and/or Special Director like Technical Director, Financial Director etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors / Whole-time Director(s), Technical Director(s) and Financial Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine.

- b) The Managing Director shall not be liable to retire by rotation.
- c) A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a Resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.
- d) Subject to the provisions of Section 197 of the Act, a Managing Director / Whole Time Director or Special Directors shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such additional remuneration as may from time to time be approved by the Board and Company. The remuneration of such Directors may be by way of monthly remuneration and/or Performance Bonus/Incentive and/or participation in profits or by any or all of those modes, or of any other mode not expressly prohibited by the Act. The payment of overall managerial remuneration shall not exceed the maximum limits prescribed under the Act. In case of absence or inadequate profits, the payment of the managerial remuneration shall be subject to necessary statutory approvals.
- e) Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may from time to time entrust to and confer upon the Managing Director or Managing Directors for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think fit and they may confer such powers, either collaterally with or to the exclusion of, and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

41. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for

such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

42. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

43. ELECTION OF CHAIRMAN OF BOARD

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected, or at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

44. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.
- b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- c) The Board of Directors of the Company shall exercise certain powers as mentioned in the Section 179 of the Act only by resolutions passed at the meeting of the Board any other matter which may be prescribed under the Act and Companies (Meetings of Board and its Powers) Rules, 2014 or any other applicable law.

45. COMMITTEES AND DELEGATION BY THE BOARD

- (a) The Company shall constitute such Committees as may be required under the Act and applicable provisions of Law.
- (b) Subject to the applicable provisions of the Act, the requirements of Law and

these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

- (c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

46. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECTS IN APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

47. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Members in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

48. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

49. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

50. KEY MANAGERIAL PERSONNEL

- a) The Company shall have the following whole time Key Managerial Personnel: (a) Managing Director, or Chief Executive Officer, or Manager, and in their absence a whole-time director; (b) Company Secretary and (c) the Chief Financial Officer. Such individuals who shall be identified as whole time Key Managerial Personnel (whole time KMP). Every whole time KMP shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.
- b) A whole time KMP shall not hold office in more than one company except in its subsidiary company at the same time. Provided that nothing contained herein shall disentitle a KMP from being a director of any company with the permission of the Board.
- c) If the office of any whole time KMP is vacated the resulting vacancy shall be filled up by the Board at the Meeting of the Board within a period of six months from the date of such vacancy

51. THE COMPANY SECRETARY

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Company Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may also at any time appoint some individual (who need not be the Company Secretary) to maintain the Registers required to be kept by the Company.

52. SEAL

- (a) The Board may provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, if any, for the time being.
- (b) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board, and except in the presence of at least one (1) Director or of the Company Secretary or such other person as the Board or Committee of the Board may appoint for the purpose; and those one (1) Director and the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

53. BOOKS OF ACCOUNTS

- i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors as per the provisions of the Act.

- ii) No member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

54. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time shall notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

55. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Members who does not have registered address in India, has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

56. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Members by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

57. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

58. DIVIDEND AND RESERVE

- (a) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- (c) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like

discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

- (d) The Board may also carry forward any profits which it may consider necessary not to distribute, without setting them aside as a reserve.
- (e) (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- (f) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- (g) (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (h) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- (i) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- (j) No dividend shall bear interest against the company.
- (k) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any

scheduled bank, to be called “_____ Unpaid Dividend Account” as per the applicable provisions of the Act.

- (l) Any money transferred to the unpaid dividend account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.
- (m) All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the “Investors Education and Protection Fund” subject to the provisions of the Act and Rules.
- (n) No unclaimed or unpaid dividend shall be forfeited by the Board.

59. CAPITALISATION OF PROFITS

Subject to the provisions of Section 63 of the Act and rules made thereunder and the applicable laws, the Company in its General Meeting may resolve to issue the bonus shares to its Members and capitalize its profit or free reserves for the purpose of issuing fully paid up bonus shares.

60. WINDING UP

Subject to the applicable provisions of the Act and the Rules made thereunder—

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

61. DIRECTOR’S AND OTHER’S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and the company shall pay out its funds all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf

of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the shareholders over all the claims.

62. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality of the foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the Registrar of Companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the Company.

63. INSPECTION BY MEMBERS

The register of charges, register of investments, register of members, books of accounts and the minutes of the meeting of the board and members shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each Business Day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

64. AMENDMENT TO ARTICLES OF ASSOCIATION

- (a) The Members shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (b) The Company, may from time to time alter, add to amend or delete any of the existing Articles or may add a new Article thereto or adopt a new set in accordance with the provisions of the Act.

65. SECRECY

- a) No shareholder shall be entitled to inspect the Company's work without permission of the managing Director/Directors or to require discovery of any

information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the Company to communicate to the public.

- b) Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law.

66. BRAND PROTECTION

- a) India has a rich tradition of art, craft and culture and lot of the same resides in various rural clusters of this country, which has been passed on over generations by the families. The founders of the Company wanted to build a global brand based on this ecosystem to help preserve, develop and nurture this rich tradition of India. The promoters and the shareholders of the Company have always held this vision sacrosanct and will always make it the guidepost for all its operating decisions. Thus, the Company resolves necessarily to adhere to and remain true to at all times in its operations to its founding Vision, Mission and Core principles.
- b) The founding Vision, Mission and Core Principles which the Company will always adhere to are as follows:
 - (i) We Celebrate India and endeavor to bring all that we love about India to customers around the world.
 - (ii) We are India's lifestyle Brand celebrating India's Traditions and diversity.
 - (iii) We will create mutually reinforcing business models to strengthen and support our community of franchisees, designers, artisans, farmers, makers and entrepreneurs inspired by India.
 - (iv) We bring products with rich heritage and traditional knowledge that resides in India's arts and crafts.
 - (v) We support livelihoods and work to develop the crafts clusters across India.
 - (vi) A true promise to support an extensive network of artisans, craftsmen and weavers who are truly the spirit of India to be celebrated. That was the origin of our Company and that should remain the distinctive feature in its growth trajectory.
 - (vii) Make craft available to the market from remote regions and to preserve India's unique heritage, be it indigenous crafts, particular ways of production and reviving dying traditional techniques and support small and marginal farmers.

- (viii) To be true to our commitment and history as an ethical and trust-worthy brand promoting a stake-holder based community model of inclusive capitalism.
 - (ix) To support small and marginal farmers transition to a more sustainable and regenerative organic agriculture and help them with access to premium global markets.
 - (x) We are committed to regularly assess our environmental and social impact, judging ourselves on the triple bottom line of TRUE ESG.
- c) The Board shall monitor full compliance by the Company with the above Vision, Mission and Core principles and if at any time there is any event or action that could result in the violation or breach of the above Vision, Mission and Core Principles, the Board shall take all appropriate steps to preserve the sanctity of the above Vision, Mission and Core Principles and the trueness of its Brand “Fabindia, Celebrate India”.

67. GENERAL POWER

Wherever in the Companies Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

PART II

PART-A

I. PRELIMINARY

- 1.1 The regulations contained in Table 'F' of the Schedule I to the Companies Act, 2013 shall apply to the Company, subject to and except in so far as they are amended or altered by these Articles.

II. DEFINITIONS AND INTERPRETATION

- 2.1 In these Articles, unless there is anything inconsistent with the subject or context the following terms shall have the following meaning. Any of the other terms used in the Articles which are not specifically defined in these Articles shall have the meaning ascribed to them in the Restated Shareholders Agreement and/or the Transaction Documents:

- (a) **“Act”** means the Companies Act, 2013. Provided that if the relevant Government Authority appoints different dates for the coming into force of different provisions of the Companies Act, 2013, then the term “Act” will refer to those provisions of the Companies Act, 2013 as are in force at the time of such notification and in all other cases, the term “Act” will refer to the Companies Act, 1956, as amended from time to time and shall include any statutory replacement or re-enactment thereof.
- (b) **“Affiliate”** with respect to any Party means any Person which is a holding company or Subsidiary of such Party, or any Person which, directly or indirectly, (a) Controls such Party, (b) is Controlled by such Party, (c) is Controlled by the same Person who, directly or indirectly, Controls such Party, or (d) is a subsidiary of the same Person of which such Party is a subsidiary, and in the case of an individual, includes a relative within the meaning of Section 2(77) of the Act.

Without prejudice to the generality of the foregoing, “Affiliate”, in respect of the Investor Group shall be deemed to include, without limitation, any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership only of constituents of the investment group which manages the Investor Group), special purpose or other vehicle, or any subsidiary or Affiliate of any of the foregoing, which is exclusively managed or advised by the investment group to which the Investor Group belongs, whether on the date of this Agreement or in the future.

- (c) **“Agreement”** means the Restated Shareholders Agreement dated June 30, 2016, executed by and between the Investor Group, the Promoters and the Company, as may be amended from time to time in accordance with its terms including the First Addendum.
- (d) **“Applicable Law(s)”** means the laws of the Republic of India or where applicable any political subdivision thereof and all rules, regulations, notifications, ordinances, policies, applicable laws, by-laws, orders, protocols, codes, guidelines, notices, directions, judgments, decrees or other requirements, whether in effect on the date of the Agreement or thereafter, and modifications thereof in effect from time to time, including the Prevention of Corruption Act, 1988 and other similar enactments in India from time to time.

- (e) **“Articles”** mean these articles of association of the Company, as amended from time to time.
- (f) **“Board”** means the board of directors of the Company.
- (g) **“Brand”** means the brand “Fabindia” and all connected brands/ trademarks/ intellectual property rights as registered under laws of respective jurisdictions.
- (h) **“Business”** means the business of the Company, i.e. designing, logistic support, contract manufacturing, procurement and/or sale by way of retailing of Products, at the relevant time in such territories or countries in which the Company and/or International HoldCo then operates.
- (i) **“Business Day”** means any day other than Saturday and Sunday, on which banks are open for normal banking business in New Delhi and Bangalore.
- (j) **“Change in Control”** means, with respect to the Company, (a) if the aggregate Shares held by the Promoters, either directly or indirectly (through intermediate entities), in the Company fall below 26% of the Share Capital of the Company, or (b) a third party (along with its Affiliate(s)) acquires Shares in the Company such that its Ownership in the Company exceeds the Ownership of the Promoters, or (c) such third party (along with its Affiliate(s)) becomes entitled to appoint a majority of Directors on the Board.
- (k) **“Closing”** has the same meaning as ascribed to it in SPA 2016 and **“Closing Date”** means the date on which Closing under SPA 2016 occurred.
- (l) **“Company”** means Fabindia Limited.
- (m) **“Control”** or **“Controlling”** or **“Controlled by”** with respect to any Person, means: (a) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by agreement or otherwise or the power to elect more than half of the directors, partners or other individuals exercising similar authority with respect to such Person, or (b) the possession, directly or indirectly, of a voting interest of more than 50%, or (c) a contractual shareholder or director having veto right in management matters by law or contract.
- (n) **“Consummation of the IPO”** shall mean the receipt of final listing and trading approval from each of the Stock Exchanges for the listing and trading of the Equity Shares of the Company pursuant to the IPO.”
- (o) **“Director”** means a director of the Board.
- (p) **“EAST Ltd.”** means EAST Lifestyle Limited, a company incorporated under the laws of United Kingdom, having its registered office at 55, Kimber Road, London, SW18 4NX, United Kingdom.

- (q) **“Financial Investor”** means any financial investor engaged in the business of making financial investments (excluding, for the avoidance of doubt, any Person who owns 26% or more of an entity running and operating any retail business which receives more than 3% and/or INR 50 million of its annual revenues from such activities and any Affiliate established by such excluded Person or a promoter of such excluded Person), and shall include the following:
- (i) a banking company within the meaning of the Banking Regulation Act, 1949;
 - (ii) foreign banks regulated by a banking supervisory authority in the country of their incorporation;
 - (iii) financial institutions including non-banking financial companies, incorporated in India, which are in the business of lending as their primary business;
 - (iv) foreign institutional investor/their sub-accounts registered with the Securities and Exchange Board of India;
 - (v) a fund (including equity, mutual fund, venture capital, bond, balanced, private equity, buy-out or any other investment style);
 - (vi) pension funds or corporate funds set up to explicitly make financial investments or any entity whose primary purpose is to invest capital;
 - (vii) any investment entity or special purpose vehicle controlled, directly or indirectly, by persons referred in (a) through (f) above.
- (r) **“First Addendum”** shall refer to Addendum and Amendment No. 1, dated May 11, 2017, to the Restated Shareholders Agreement of June 30, 2016 executed by and between parties to the Restated Shareholders Agreement.
- (s) **“FIPB”** means the Foreign Investment Promotion Board of India.
- (t) **“Fully Diluted Basis”** means the calculation of the Share Capital, allotted (whether fully or partly paid up) on the date of such calculation, being the sum of (a) all subscribed and issued Share Capital, (b) all other warrants, options and other convertible securities on an as converted basis, and (c) any unallotted stock as held in trust by the Employee Welfare Trust of the Company or any other Person on an as converted basis.
- (u) **“Indian GAAP”** means the generally accepted accounting principles applicable in India.
- (v) **“Independent Director”** shall mean an independent director as defined under the Act and under the SEBI Listing Regulations.
- (w) **“International HoldCo”** means Fabindia International Pte. Ltd., Singapore.
- (x) **“Investor Director(s)”** has the meaning assigned to it in Article 23.8(a).
- (y) **“Investor Group”** or **“Investor”** refers to PI Opportunities Fund-I, a trust incorporated and existing under the laws of India, with its principal office at #134, Next to Wipro Corporate Office, Doddakannelli, Sarjapur Road, Bangalore-560 035, of which, Hasham Premji Private Limited (a company incorporated and existing under the laws of India and having its registered office at Hasham Premji House, #5, Janmabhoomi Marg, Fort, Mumbai-400 023, India) is the

trustee, and which is an Alternative Investment Fund registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations 2012, represented by its investment manager Hasham Investment and Trading Company Private Limited (a company incorporated and existing under the laws of India and having its registered office at No: 134, Doddakannelli, next to Wipro Corporate Office, Sarjapur Road, Bangalore-560 035, India).

- (z) **“Investor Shares”** mean all Shares of the Company held by the Investor Group in the Company at any point upon or after Closing, either directly and/or through Affiliates.
- (aa) **“IPO”** means an initial public offering of Shares of the Company, as per Applicable Law, culminating in its listing on the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. or any other recognized major stock exchange.
- (bb) **“Material Adverse Change”** means: (i) a material adverse change in the assets, business, properties, liabilities, financial condition, results, operations or prospect of the Company, or Applicable Laws, (ii) any event that would render the representations and warranties of the Company, Promoters or the Transferors, as the case may be, under any of the Transaction Documents false, and (iii) any material adverse change in the ability of Company, the Promoters or the Transferors to perform all their obligations under this Agreement or any other Transaction Document, as the case may be.
- (ab) **“Material Subsidiary(ies)”** means any new Subsidiary whose turnover or assets is more than 15% of the consolidated turnover or the consolidated assets, as the case may be of the Company, determined based on the audited consolidated financial statements during the financial year immediately preceding the financial year in which such determination is made.
- (ac) **“Memorandum”** means the memorandum of association of the Company, as amended from time to time.
- (ad) **“Minimum Ownership”** with respect to the Investor Group, means the Ownership of 8% of the Share Capital of the Company or 5% of the Share Capital of the Company if the reduction in the Investor Group’s Ownership is on account of dilution rather than active sale by the Investor.
- (ae) **“Ordinary Course of Business”** means the usual, regular and normal course of business consistent with past industry custom and practice, but only to the extent consistent with Applicable Law.
- (af) **“Organic India Brand”** shall mean the brands of Organic India Private Limited and all connected brands/ trademarks/ intellectual property rights as registered under laws of respective jurisdictions.
- (ag) **“Organic India Private Limited”** means Organic India Private Limited, a company incorporated and existing under the laws of India with its registered office at Plot No. 266, Faizabad Road, Kamta, P.O. Chinhat, Lucknow, Uttar Pradesh-227 105, India, and shall include its subsidiaries.

- (ah) **“Ownership”** means, as of any date of determination with respect to a Party, without double counting, the percentage sum of the effective (i) direct ownership interest in the Share Capital, if any, of such Party, and (ii) indirect ownership interest in the Share Capital held by such Party and/or any of its Affiliates through any intermediate entities calculated on a proportionate basis for such intermediate entities, as of such date of determination on a Fully Diluted Basis.
- (ai) **“Party”** has the meaning as ascribed to it in the Agreement.
- (aj) **“Products”** mean any crafts and fabrics, garments and accessories, home furnishings, furniture, organic goods, personal care products and other similar products sourced or sold by the Company, including adjunct products and services to which the Brand or Organic India Brand extends.
- (ak) **“Promoters”** mean the promoters of the Company, being Mr. William Nanda Bissell, Mrs. Bimla Nanda Bissell, Ms. Monsoon Latane Bissell, Ms. Sara Kamla Bissell, Mr. John Varun Bissell and JLB Partners Holding Inc. (formerly known as JLB Canton LLC).
- (al) **“Related Party”** has the meaning as ascribed to it under the Act or as provided in the applicable accounting standards.
- (am) **“Seal”** means the common seal of the Company.
- (an) **“Share(s)”** means one or more equity shares of the Company, including ordinary shares of any face value together with all rights, differential rights, obligations, title, interest and claim in such shares and includes all subsequent issue of shares of whatever face value or description, bonus shares, conversion shares and shares issued pursuant to a stock split or the exercise of any warrant, option or other convertible security of the Company.
- (ao) **“Share Capital”** means the total issued and fully and partly paid-up equity share capital of the Company, determined on a Fully Diluted Basis.
- (ap) **“SPA 2016”** means Share Purchase Agreement dated May 20, 2016, executed by and between WCP Mauritius Holdings, Hasham Investment and Trading Company Private Limited, the Company and the Promoters.
- (aq) **“Strategic Investor”** means a potential acquirer of any of the Shares held by the Investor Group in the Company, who or whose Affiliates, (a) has a shareholding interest of more than 10% in a company carrying on activities akin to the retail business or organic food, supplements and other wellness products business and/or receives more than 3% and/or INR 50 million of its annual revenues from activities akin to the retail business or organic food, supplements and other wellness products business and/or; (b) is a person who has representation on the board of any company in the retail business. It is clarified that under no circumstances can the potential acquirer be any person directly or indirectly acting on behalf of the Reliance group or its Affiliates. It is clarified that for countries/ territories outside India product lines that contribute to less than 5% of the Company’s total revenues, at the relevant time, are excluded from the purview of ‘retail business’ and organic food,

supplements and other wellness products business for the purposes of this definition. For the avoidance of doubt, a Strategic Investor shall not include a Financial Investor or a person/ entity who is only a financial investor with less than 10% shareholding in a listed company engaged in the same Business.

- (ar) **“Subsidiaries”** has the meaning as assigned to it in the Act and in the context of these Articles of Association will mean the “Subsidiaries” of the Company and includes such companies which are Controlled by the Company, from time to time.
- (as) **“Transaction Documents”** has the meaning as ascribed to it in the Agreement.
- (at) **“Transfer”** means to sell, offer to sell, gift, give, assign, transfer, transfer of any interest in trust, mortgage, alienation, hypothecate, pledge, encumber, grant a security interest in, or suffer (whether by operation of Applicable Law or otherwise) any encumbrance on, any Shares or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily.
- (au) **“Transferee”** has the meaning as ascribed to it in SPA 2016.
- (av) **“Transferor(s)”** has the meaning as ascribed to it in SPA 2016.
- (aw) **“SEBI”** mean the Securities and Exchange Board of India.
- (ax) **“SEBI Listing Regulations”** Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (ay) **“Share Equivalents”** shall mean any debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

2.2 In the event of any conflict or inconsistency between the provisions of these Articles and the Agreement, the provisions of the Agreement shall prevail.

2.3 In these Articles, unless the context requires otherwise:

- (a) reference to the singular includes its plural and vice versa;
- (b) reference to a gender includes a reference to all genders;
- (c) reference to an individual includes the individual’s heirs, representatives, successor, executor, administrators and assigns;
- (d) reference to statutory provisions include references also to amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to statutory provisions;

- (e) reference to any statute or regulation made using a commonly used abbreviation, shall be construed as a reference to the title of the statute or regulation;
- (f) Article headings in these Articles are inserted for convenience only and shall not be used in its interpretation;
- (g) Any word or phrase defined in the body of these Articles as opposed to being defined in Article 2 shall have the meaning assigned to it in such definition throughout these Articles, unless the contrary is expressly stated or the contrary clearly appears from the context;
- (h) Reference to a number of days herein shall be construed to exclude the first and include the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding day which is a Business Day;
- (i) The use of the word “including” shall not be construed as limiting the meaning of the general wording preceding it;
- (j) Reference to a “Person” includes (as the context requires) an individual, proprietorship, partnership firm, company, limited liability company, body of corporate, co-operative society, entity, authority or anybody, association or organization of individuals or persons, whether incorporated or not;
- (k) Reference to any agreement, deed, document, instrument, rule, regulation, notification, statute or the like shall mean a reference to the same as may have been duly amended, modified or replaced. For the avoidance of doubt, a document shall be construed as amended, modified or replaced only if such amendment, modification or replacement is executed in compliance with the provisions of such document(s);
- (l) Words and expressions used but not defined in these Articles shall have the meaning assigned to them in any of the other Transaction Documents, as the case may be.

III. PUBLIC COMPANY

- 3.1 The company is a public company as defined under Section 2(71) of the Act.

IV. SHARE CAPITAL

- 4.1 The Authorized Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.

The Company shall have the power to increase or reduce its capital and to subdivide the Shares in capital for the time being into Shares of smaller denominations or to consolidate them into Shares of larger denominations or to divide them into several classes of stocks or Shares and to attach thereto respectively, such preferential rights or privileges or condition, as may be determined by or in accordance with these Articles.

- 4.2 The Shares shall be at the disposal of the Directors and they may allot or otherwise dispose them of

to such persons at such time and generally on such terms and conditions, as they think proper, subject to the provisions of these Articles.

- 4.3 The transfer of the Shares of the Company shall only be made pursuant to any one or more of these Articles.
- 4.4 In case of increase in capital, the Shares may be divided into several classes and there may be attached thereto respectively any preferential, or other special rights, privileges, conditions, or restrictions whether in regard to dividend, voting, return of share capital or otherwise, as the Company may, from time to time, by special resolution determine, subject to the provisions of these Articles and the Agreement.
- 4.5 In case of increase of Share Capital in any case whatsoever, when the Company creates or issues new Shares of any description, the Directors shall have absolute right of allotment of such Shares on such terms and conditions and in such manner as they deem fit, subject to the provisions of these Articles and the Agreement.
- 4.6 If a Share certificate is defaced, lost or destroyed, it may be renewed on such terms, if any, as to evidence and indemnity, as the Board may think fit.
- 4.7 Save and except for the Shares held by Investor, no person shall be recognized by the Company as holding any Shares upon trust, and the Company shall not be bound by or recognize any equitable, contingent or future interest in any Share or fractional part of a Share or any other rights in respect of any Share, except an absolute right to the entirety thereof in the registered holder.
- 4.8 Subject to these Articles and Sections 68, 69 and 70 and other applicable provision, if any, of the Act, the Board is hereby authorized to buy-back from the existing shareholders of the Company, including the employee shareholders, who may be issued Shares under the stock-option or sweat equity scheme, out of its free reserves or other sources as may be permitted under Applicable Law.
- 4.9 The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.

V. SHARE EQUIVALENT

- 5.1 The Company shall, subject to the applicable provisions of the Act, the terms of these Articles and the Agreement, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

VI. ADRS/ GDRS

- 6.1 The Company shall, subject to the applicable provisions of the Act, the terms of these Articles and the Agreement, compliance with all Laws and the consent of the Board, have the power to issue American Depositary Receipt(s) issued by a U.S. Bank representing specified number of share(s) in a foreign stock traded on a U.S. stock exchange(s) (“**ADRs**”) or any instrument issued by the Company in the form of a depository receipt, by whatever name called, created by a foreign depository outside India (“**GDRs**”) on such terms and in such manner as the Board deems fit

including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

VII. ALTERATION OF SHARE CAPITAL

7.1 Subject to these Articles, the Agreement and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting, from time to time, alter the conditions of its Memorandum as follows:

- (a) increase its Share Capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

- (c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination;
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

VIII. REDUCTION OF SHARE CAPITAL

8.1 The Company may, subject to the applicable provisions of these Articles, the Agreement and Section 66 of the Act, from time to time, by special resolution reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

IX. POWER TO MAKE COMPROMISE AND ARRANGEMENTS

9.1 Subject to the provisions of Section 230 to 240 of the Act and other applicable provisions of these Articles and the Agreement, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws. This Article is not to derogate any power the Company would have under Law, if it were omitted.

X. **CAPITALISATION OF PROFITS

10.1 The Company in general meeting may, upon the recommendation of the Board, resolve –

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards –
 - (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub clause (b);
- (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

10.2 (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall –

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power –
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their

respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

- (iii) Any agreement made under such authority shall be effective and binding on such members.

XI. INVESTOR GROUP'S RIGHT TO MAINTAIN SHAREHOLDING

- 11.1 If the Company proposes an offering of its Shares to a third party (other than an employee stock grant, approved in writing by the Investor Group, acquisition of another company or Shares offered by the Company to the public pursuant to an underwritten IPO in accordance with these Articles or the Agreement), the Investor Group shall, subject to Applicable Laws, have the right to purchase, at the same terms set forth in the offering, a proportion of such offered Shares of the Company equal to its then holding of Shares as a percentage of the Share Capital of the Company in order to maintain its Ownership in the Company.
- 11.2 If the Company issues Shares or securities convertible into Shares to a third party, on or after the Closing Date, at an effective price per Share which is lower than the per Share price at which the Transferee acquired the Shares of the Company as per SPA 2016 ("**Lower Consideration**"), the Company and the Promoters shall take all steps requisite to issue additional Shares to the Investor Group at the lowest possible price and in keeping with Applicable Laws so as to ensure that the average price per Share (calculated on a Fully Diluted Basis) purchased and subscribed to by the Investor Group is no greater than the Lower Consideration.

XII. CHARITABLE CONTRIBUTIONS

- 12.1 The Company shall be at liberty to continue to make annual contributions to the John L. Bissell Foundation, a charitable organization, in any year for an amount not exceeding 0.35% of the Company's profit before tax, subject to the condition that such contributions are made subject to the provisions of the Act and any other Applicable Law.

XIII. FUNDAMENTAL BUSINESS PRINCIPLES, OTHER OBLIGATIONS AND EMPLOYEE STOCK OPTION PLAN

- 13.1 The Company shall continue to be managed in accordance with prudent financial and industry practices, with due diligence and efficiency with a vision to optimize shareholders value.
- 13.2 Subject to prior approval of the Board and the rights of the Investor Group under Article 14 hereof, any Related Party may enter into transactions with the Company, provided that such transactions shall always be on objectively determined market rates, on commercial arms' length basis and shall be entered and performed consistent with Applicable Law.
- 13.3 Subject to Applicable Laws, and save and except for acts done by the Investor Group outside of the Ordinary Course of Business, the Investor Group shall not be required to bear any liability by virtue of its shareholding in the Company, including any liability for any acts or transactions done by or on behalf of the Company, or non-compliance of any statutory requirement or Applicable Law or contractual obligation by the Company.
- 13.4 The Investor Group shall not be required to pledge its shareholding in the Company, provide

other support to any third party or provide any guarantee or security in respect of any present or future liability, borrowing or indebtedness of the Company. In the event the Investor Group is called upon to bear any liability, except for acts occasioned on account of a default by the Investor Group or any Investor Director, the Company shall indemnify the Investor Group in accordance with the provisions of Article 20 of the Agreement.

13.5 The Company shall insure all of their respective material assets against all risks normally insured by companies carrying on the same or similar businesses or owning assets of a similar nature.

13.6 No past or present Investor Director shall be:

- (a) liable for any default or failure of the Company in complying with Applicable Laws,
- (b) identified as officers in default of the Company, or occupiers of any premises used by the Company,

and in all cases, the Company shall hold all past and present Investor Directors harmless and indemnified in accordance with the provisions of Article 20 of the Agreement.

13.7 The Company shall conduct its Business and shall procure that its Subsidiaries conduct their business in accordance with Applicable Laws.

13.8 Promoters shall exercise their rights in all Board and Shareholders meetings in a manner and do all other things necessary to cause the Company to comply with all its obligations contained in the Agreement.

13.9 The Company and any Subsidiaries incorporated in India, shall implement and enforce policies and procedures as enumerated in the Annexure 3 of the Agreement and such other guidelines as the Board may in their judgment prescribe from time to time, that are reasonably designed to prevent employees and duly authorized representatives from (a) offering to make or making any improper payments, gifts or bribes to government officials to secure a business advantage on behalf of the Company or (b) paying any bribes or improper gifts to any other person to secure an improper business advantage on behalf of the Company.

13.10 **The Company could issue additional equity in the form of new equity shares ranking pari passu with existing shares as per these Articles of the Company (not enjoying special rights or privileges as contained in any shareholders agreements) to the extent of 9,00,000 (Nine Lakhs) equity shares to award stock options for employees and working directors covering financial years up to 2020-21.

13.11 The award of stock options as envisaged in Article 13.10 above shall be done as per the terms decided by the Remuneration & Compensation Committee, from time to time.

XIV. MINORITY RIGHTS OF THE INVESTOR GROUP

14.1 The Investor Group shall have the following minority rights:

- i Fresh capital cannot be created or issued by the Company at a price lower than that paid by

the Transferee as per SPA 2016 (adjusted for any stock splits, bonus and rights issues), or by any Material Subsidiary, without the written consent of the Investor Group and without compliance with Article 11.2 hereof, except for any issuance in connection with an IPO under the terms of the Agreement.

- ii Notwithstanding anything to the contrary stated in these Articles, the written consent of the Investor Group is required prior to the Company or any Subsidiary undertaking any of the following actions so long as the Investor Group's Ownership is equal to at least the Minimum Ownership:
 - a Any material change in the Business activity;
 - b Any action which may take the Company's debt equity ratio higher than 1:1 on a consolidated basis;
 - c All transactions with a Related Party of the Company, any Subsidiary or of the Promoters other than: (A) any transactions between the Company and a Material Subsidiary in the Ordinary Course of Business, and (B) transactions of value less than Rs.10 lacs with any single Related Party in a financial year, provided that the aggregate value of all such transactions with all Related Parties does not exceed Rs.1 Crore in a financial year;
 - d Payment of dividend by the Company where the outflow is in excess of 25% of the Company's profit after tax for the relevant financial year and/or payment of dividend by any Material Subsidiary (only if such Material Subsidiary is not a wholly owned Subsidiary of the Company) where the outflow is in excess of 25% of such Material Subsidiary's profit after tax for the relevant financial year;
 - e Any alteration or modification of Share Capital, or creation or issuance of Shares (including equity shares, preference shares, non-voting shares, warrants, options, etc.) or any instrument/loans convertible into Shares or alteration in the terms and conditions attached to the Shares, in each case by the Company and/or any Material Subsidiary;
 - f Any diversification outside of the Business and related consumer businesses unless such actions enhance the core of the Business;
 - g Any material changes to the Vision 5 Plan, which is available as Annexure-5 to the Agreement ("**Vision 5 Plan**"), that is expected to result in a change greater than 25% of the consolidated projections set out therein;
 - h Change of name of the Company or any Material Subsidiary;
 - i Alteration to the memorandum of association and/or articles of association of the Company, or the articles of association of any Material Subsidiary, which may have an impact on the rights and privileges of the Investor Group in terms of the Agreement or the Transaction Documents;

- j Providing loans (other than: (A) advances to consultants/ suppliers in the Ordinary Course of Business, and (B) loans to employees which in the aggregate, in any financial year, do not exceed 5% of the total employee related costs of the Company in the said financial year) or any guarantee or security which are not incidental to furthering of the retail and related consumer business objectives of the Company;
- k Transfer of shares held by the Company in any Material Subsidiary;
- l Any merger, winding up or liquidation of the Company or any Material Subsidiary;
- m In case of acquisition or capital expenditure in excess of 25% over the budgeted capital expenditure amount as per the respective financial year annual business plan in the Vision 5 Plan;
- n Divestment of the whole or substantially the whole of the assets of the Company or any Material Subsidiary;
- o Licensing the use of the Brand or Organic India Brand other than in the Ordinary Course of Business or franchising either directly or through International HoldCo to any third party, other than for social, educational and charitable activities of the Promoters, which are either non-profitable or have minimal profits;
- p Merger and Acquisitions;
- q Determining the timing, pricing, and place of any IPO.

The prior written consent of the Investor Group shall be required with respect to any action proposed to be taken by EAST Ltd. and Organic India Private Limited (so long as EAST Ltd. or Organic India Private Limited is a Material Subsidiary) to the extent such action requires the affirmative consent of the Company, except those which are in the Ordinary Course of Business.

- iii The prior written consent of the Investor Group is required prior to the Company's Subsidiaries taking any of the following actions:
 - a Any merger, winding up or liquidation of any such Subsidiary;
 - b In case of acquisition or capital expenditure in excess of 25% over the budgeted capital expenditure amount as per the respective financial year annual business plan in the Vision 5 Plan;
 - c Divestment of the whole or substantially the whole of the assets of such Subsidiary except in the Ordinary Course of Business;
 - d Change in the business of any such Subsidiary.

- iv Upon the occurrence of more than 25% under-performance of consolidated revenues or EBITDA, on a cumulative basis from the Vision 5 Plan, written consent of the Investor Group shall be required prior to the Company and/or any Material Subsidiary undertaking any acquisition or divestment of assets which may have a material effect on the Company or any Material Subsidiary.
- v Upon the occurrence of a Change in Control, the written consent of the Investor Group shall be required prior to the Company or any of its Subsidiaries undertaking any of the following actions:
 - a Approving the business plan/ annual budgets/ operating plans of the Company and Subsidiaries;
 - b Incurring of capital expenditure beyond those approved under the business plan/ budgets of the Company and/or the other Subsidiaries;
 - c Acquisitions or divestments of assets by the Company and/or the other Subsidiaries except in the Ordinary Course of Business;
 - d Determining the timing, pricing, and place of any IPO;
 - e Making of any investments by the Company and/or the other Subsidiaries;
 - f Obtaining or providing any indebtedness or guarantee or security by the Company and/or any other Subsidiary;
 - g Entering into or settlement of litigation by the Company and/or any other Subsidiary;
 - h Licensing the use of the Brand or Organic India Brand to any third party other than for social, educational and charitable activities of the Promoters, which are either non-profitable or have minimal profits;
 - i Appointment or removal of executive Directors of the Company and/or any other Subsidiary.

For the avoidance of doubt, the requirement of prior written consent of the Investor Group under this Article 14.1(v) shall be in addition to the requirement of prior written consent of the Investor Group under Articles 14.1(i) to (iv) and Article 14.1(vi), if applicable.

- vi If the Investor Group is not provided an exit as contemplated in the Agreement on or before December 31, 2022, the written consent of the Investor Group shall be required prior to the Company or any Subsidiary undertaking any of the following actions:
 - a Approving the business plan/ annual budgets/ operating plans of the Company and/or any other Subsidiary;

- b Divestments of assets of the Company and/or any Subsidiary except in the Ordinary Course of Business;
- c Determining the timing, pricing, and place/ stock exchange(s) of any IPO;
- d Licensing the use of the Brand or Organic India Brand to any third party other than for social, educational and charitable activities of the Promoters, which are either non-profitable or have minimal profits;
- e Appointment or removal of executive Directors of the Company and/or any Subsidiary;
- f Incurring of capital expenditure which results in a deviation of more than 10% from the limits approved under the business plan/ annual budget;
- g Making of any investments which results in a deviation of more than 10% from the limits approved under the business plan/ annual budget;
- h Obtaining or providing any indebtedness or guarantee or security which results in a deviation of more than 10% from the limits approved under the business plan/ annual budget;
- i Entering into or settlement of litigation, the aggregate value of which is in excess of INR 2 Crore.

For the avoidance of doubt, the requirement of prior written consent of the Investor Group under this Article 14.1(vi) shall be in addition to the requirement of prior written consent of the Investor Group under Articles 14.1(i) to (iv) and Article 14.1(v), if applicable.

Till such time that the Agreement is valid, if the Investor Group's Ownership in the Company is equal to at least the Minimum Ownership, at all Board meetings and all meetings of the board of directors of a Material Subsidiary at which any of the minority rights matters as stated in Article 14.1 (i) to (vi) are discussed, the Investor Directors nominated by the Investor Group shall be invited to participate and, the Board meeting and meeting of the board of directors of a Material Subsidiary pertaining to such minority rights matters shall only be convened by giving at least 15 days prior notice to each of the Investor Directors and all others required to constitute a valid quorum.

Unless prior written waiver is otherwise given by the Investor Group, at all such Board meetings or meetings of the board of directors of a Material Subsidiary where any of the minority rights issues are proposed to be discussed, a valid quorum shall only exist if such Investor Director (whose prior written waiver has not been obtained beforehand) is present and voting. However, in such circumstances, if any of the relevant Investor Director is unable to attend the Board meeting or a meeting of the board of directors of a Material Subsidiary, the meeting shall adjourn to the same place and time 7 days later (or if such day is not a Business Day, at the same time on the next following Business Day) ("**Adjourned Meeting**"), provided that notice of such Adjourned Meeting shall have been sent to all Directors at least 5 days prior to the date of such Adjourned Meeting. If the relevant Investor Director(s) or their respective Alternate Directors are not present at such Adjourned

Meeting, the Directors present shall, subject to Applicable Laws, constitute a valid quorum.

Until such time that the Agreement is valid, if the Investor Group's Ownership in the Company is equal to atleast the Minimum Ownership, at all Board meetings and all the meetings of the board of directors of a Material Subsidiary at which any Non Routine Matters are discussed, the Investor Directors nominated by the Investor Group shall be invited to participate and, that the Board meeting and meeting of the board of directors of a Material Subsidiary pertaining to such Non Routine Matters shall only be convened by giving at least 5 Business Days' notice to each of the Investor Directors and all other Directors. If any of the relevant Investor Directors or their Alternate Directors is unable to attend the Board meeting or a meeting of the board of directors of a Material Subsidiary, as the case may be, the Directors present shall, subject to Applicable Laws, constitute a valid quorum.

For the purposes of this provision, "**Non Routine Matters**" shall mean matters other than those which pertain to day to day functioning of the Company or other Subsidiaries but shall not include any of the minority rights matters as stated above in Articles 14.1(i) to (vi).

- 14.2 Any and all meetings of the shareholders of the Company shall be held in accordance with these Articles and after giving notice in accordance with the Act. Similarly, any and all meetings of the shareholders of the Material Subsidiaries shall be held in accordance with the articles of association of the Material Subsidiaries and after giving notice in accordance with the Act.
- 14.3 In the conduct of the Business by the Company, the management shall prepare a business plan and an annual budget containing comprehensive details of its plan for the succeeding financial year. The plan and the budget shall be approved by the Board and copies of the same shall be provided to the Investor Group.
- 14.4 Within 45 days of the date of Closing, the Company shall increase (if not already so done) the Directors and Officers Insurance for the members of the Board and the board of directors of all Material Subsidiaries, to an amount of Rupees Twenty Crores as agreed in the Agreement and the Company shall bear all costs in relation to the same.

XV. LIEN

- 15.1 Subject to the terms of these Articles and the Agreement, the Company shall have a first and paramount lien upon all the shares registered in the name of each member (whether solely or jointly with others) for his debts, liabilities and engagement whether solely or jointly with any other person, to or with the Company, whether the period for the payment fulfillment or discharge thereof shall have actually arrived or not.

XVI. UNDERWRITING AND BROKERAGE

- 16.1 The Company may, subject to the terms of these Articles and the Agreement, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares, debentures or any securities in the Company in accordance with the provisions of sub-section (6) of Section 40 of the Act read with Rule 13 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time.
- 16.2 The Company may also, subject to the terms of these Articles and the Agreement, on any issue of shares or debentures, pay such brokerage as may be lawful.

XVII. CALLS OF SHARES

- 17.1 The Directors may, from time to time, make calls upon the members in respect of any money unpaid on their shares.
- 17.2 The joint holder of a share shall be jointly and severally liable to pay all calls in respect thereof.

XVIII. TRANSFER AND TRANSMISSION OF SHARES

- 18.1 Subject to the remaining provisions of these Articles, including Article 20 and except where the transfer is made pursuant of Article 18.6, no Share in the Company held by any shareholder, other than the Investor Group, shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
- 18.2 Every member or other Person, other than the Investor Group, who intends to transfer Shares (hereinafter called the **“Transferor”**) shall give notice in writing (hereinafter called the **“Transfer Notice”**), to the Board of his intention to do so. Such notice shall constitute the Board as his agent for the sale of the said Shares in one or more lots at the discretion of the Board. The Board shall determine the price at which the said Shares would be sold.
- 18.3 Upon the price being determined as aforesaid, the Board shall forthwith give notice to all members, excluding the Transferor, of the number and price of the Shares to be sold and invite each of them to state in writing, thirty days from the date of the receipt by such member of the said Transfer Notice, whether he is willing to purchase any, and if so, what maximum number (being not more than the number to which the particular member is entitled, by the proportion of the Shares he holds to the total number of Shares in the Company, in the first issuance of the said shares and also what further number of shares he would be prepared to take in the event of any of the other member or members not accepting the offer made under this Article.

- 18.4 At the expiration of thirty days referred to in Article 18.3, the Board shall allocate at the first instance, the said Shares to or amongst the members who have expressed their willingness to purchase as aforesaid and allocate the Shares for which the offer is not accepted to and amongst the member or members who have expressed their willingness to purchase further Shares. In the event of applications for further Shares being more than the available Shares, the Board shall allocate the available Shares to such members who have expressed their willingness to purchase further Shares in the proportion in which such members hold Shares in the Company or as early as circumstances permit. In the event of any member or members not taking up the whole or part of the number of Shares offered under Article 18.3 hereof or in the event of there being fractional shares, subject to provisions of this Article, the Board may, in such manner as it thinks fit, decide to whom the Share or Shares not so taken up or fractions or fraction are to be sold and the decision of the Board shall be final and binding on all members.
- 18.5 Upon such allocation being made, the Transferor shall be bound, on payment of the said price to him, to transfer the Shares to the purchaser or purchasers, and if he makes default in so doing, the Board may receive and give good discharge for the purchase money on behalf of the Transferor and enter the name of the purchaser in the register of members as holder by transfer of the said Share/(s) purchased by him.
- 18.6 In the event of the whole of the said Shares not being sold to the members under Article 18.4 within a period of three months from the date of the Transfer Notice, the Transferor shall transfer the Shares not so sold or such of them as the Board may specify to any other person or persons named by the Board at the price determined as aforesaid and the provision of Article 18.5 shall mutatis mutandis apply for such transfer or transfers.
- 18.7 Subject to the provisions of Article 18.6, the Board may within six months after the death a member require his legal representative or the person entitled to the Shares of the deceased by transmission to serve a transfer notice relating to such Shares or such proportions of them as the Board shall think fit and if the legal representative or such person does not comply with such requisition within a period of one month from the date thereof, such legal representative or person, as the case may be, shall on the day next following the expiry of the period aforesaid be deemed to have served the Company with a transfer notice relating to such Shares and all the provisions of Articles 18.2 to 18.6 shall mutatis mutandis apply to such transfer notice.
- 18.8 The Board may in its absolute discretion, annul operation of the provisions of Articles 18.1 to 18.6 either temporarily or permanently, and either generally or in respect of a specific class or number of Shares, and on such annulment the provisions of the said Articles shall be inoperative and be of no effect.
- 18.9 By virtue of Section 72 of the Act, every holder of Shares in the Company may at any time nominate in the prescribed manner a Person to whom his Shares shall vest in the event of his death.
- 18.10 Where the Shares in the Company are held by more than one Person jointly, the joint holders may together nominate, in prescribed manner, a Person to whom all the rights in the Shares of the Company shall vest in the event of death of all the joint holders.
- 18.11 Where a nomination has been made in the prescribed manner, the nominee shall on the death of the

shareholder of the Company, or on the death of the joint holders, as the case may be, become entitled to all the rights in the Shares in question of the Company, to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner. However, in case the deceased shareholder was also a Director of the Company, the nominee shall not be entitled to any right to be a Director by virtue of this clause or nomination hereunder.

- 18.12 In case of death of any one or more of the Persons named in the register of members as the joint holder of any Shares, the survivor shall be the only person recognized by the Company as having any title to his interest in the Shares, but nothing herein contained shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other persons.
- 18.13 In the absence of nomination as aforesaid in Articles 18.9 to 18.12, the executors or administrators or holders of a succession certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such member and the Company shall not be bound to recognize such executors or administrators or holders of a succession certificate or the legal representatives, unless such executors, administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in the Union of India, provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member, subject to Article 18.7.
- 18.14 The Board shall have power on giving not less than seven days' previous notice by advertisement in a newspaper circulating in the district in which registered office of the Company is situated, to close the register of members at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year, as it may deem expedient as per Section 91 of the Act.
- 18.15 The Board may, in its own absolute and uncontrolled discretion decline to register or acknowledge the transfer of any Share (other than a transfer of the shares held by the Investor Group) to any person whom it shall not approve as transferee (notwithstanding that the proposed transferee be already a member), but in such case it shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the Transferor notice of the refusal to register such transfer.
- 18.16 The Company shall not permit the transfer of partly paid shares.
- 18.17 The provisions of Article 18 do not apply to a transfer of Shares held by Investor/(s) belonging to the Investor Group.

XIX. DEMATERIALIZATION OF SHARES

- 19.1 Notwithstanding anything contained in these Articles and subject to the applicable provisions of

the Act, the Company shall be entitled to dematerialize its securities, rematerialize its securities and/or offer securities for subscription in a dematerialized form pursuant to the Depositories Act, 1996.

- 19.2 Subject to the provisions of the Act and other applicable Laws, every Person subscribing to securities offered by the Company shall have the option to receive security certificate or to hold the securities with a depository. Such a Person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.
- 19.3 If a Person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on the receipt of the information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.
- 19.4 All securities held by a depository shall be dematerialized and be in fungible form.
- 19.5 Rights of Depositories & Beneficial Owners:
- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effective transfer of ownership of security on behalf of the beneficial owner.
 - (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 - (c) Every Person holding the securities of the Company and whose name is entered beneficial owner in the records of the depository shall be deemed to be a member Company.
 - (d) The beneficial owner of the securities shall be entitled to all the right benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
- 19.6 Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivering of floppies or discs.
- 19.7 Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- 19.8 The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

XX. INVESTOR GROUP'S EXIT

- 20.1 Subject to Applicable Laws, the Company and the Investor Group shall form an Investment Advisory Committee latest by 31 March, 2017 as per the terms stipulated in this Article 20 for the purpose of providing an exit to the Investor Group.
- 20.2 The Investment Advisory Committee shall be responsible for exploring the possibilities of the following:

- (a) Issuance of shares with differential voting rights and their listing on a recognized stock exchange, on or before 31 December, 2017;
- (b) In the event such issuance and listing of shares as mentioned in sub-clause (a) is not carried out, the Investment Advisory Committee will appoint Merchant Banker before 30 June, 2018 to explore and execute partial or full liquidity mechanism to the Shares in any manner considered most appropriate including through IPO or negotiated secondary sales by 31 December, 2018.
- (c) Based on the recommendation of the Merchant Banker, the Company and the Investor Group shall jointly work towards the plan of liquidity for exit of the Investor Group. The Investor Group shall provide a notice by December 31, 2022 ("**Drop Date**") for IPO.
- (d) In any event, an IPO or offer for sales of Company's Shares to provide liquidity shall be enabled by the Company and Promoters will provide full support to the Investor Group to provide adequate liquidity for its shares by December 31, 2022, provided the Investor Group wants the exit.

20.3 The Investor Group shall have a right to appoint at least one (1) member in the Investment Advisory Committee.

20.4 The Exit Options envisaged under Article 20.2 by December 31, 2022 above may be either:

- (a) IPO: An IPO of the Shares of the Company comprising of a primary issuance and / or a secondary sale in accordance with the Applicable Law. PIOF shall have the right but not the obligation to offer any of the Shares of the Company held by it at the relevant time in the IPO in the Offer for Sale portion on a pro rata basis..
- (b) Sale by Investor Group: Sale of Shares held by the Investor Group in the Company to a third party at a valuation agreed between the Company and the Investor Group.

20.5 Third Party Sale:

- (a) The Investor Group shall be free to sell either whole or part of the Investor Shares, as applicable, held by it to a third party purchaser at a price to be negotiated between the Investor Group and the potential acquirer without recourse to the Company or its shareholders (the "**Third Party Sale**") provided the part sale of Investor Shares does not result in substantial time and is at nil cost for the Company or management, subject that the Investor Group shall not thus sell its Shares in the Company: directly or indirectly, to a Strategic Investor without the consent of the Board, except that the aforesaid restriction shall not apply to (i) any non-negotiated sale of the Company's Shares on the stock exchanges after the IPO, (ii) any sale of Shares of the Company by the Investor Group after a Change in Control has occurred, and (iii) if the Investor Group is not provided an exit as contemplated in Article 20.2 above.

Provided that subject to approvals, if any, required under Applicable Law, the foregoing restrictions shall not be applicable to transfer by the Investor Group of any of its Investor Shares (i) to an Affiliate of the Investor Group, and (ii) as part of any offer for sale in the IPO.

- (b) Where the Investor Group elects to sell its Investor Shares pursuant to a Third Party Sale, the Company shall provide to such potential buyer due diligence access to the Company's records and data.
- (c) Where the Investor Group elects to sell whole or part of its Investor Shares to a third party otherwise than in breach hereof, then, provided that the potential acquirer of such Investor Shares holds the Minimum Ownership, such potential acquirer shall inherit: (a) ONLY the Investor Group's Board seat on the Company, the rights of the Investor Group under Article 20.8 and any such other right as may be mutually agreed between the Investor Group and the Company, and (b) all the rights of the Investor Group if there is any Change in Control or if the Investor Group has not been provided an exit within December 31, 2022. Save and except for the foregoing, the Agreement is not transferable or assignable and such potential third party acquirer will not be entitled to any other benefits including, the minority rights matters as stated in Article 14.1, and/or the exit provisions as described in this Article 20, as may be available to the Investor Group. If any rights as contemplated hereunder are transferred to a transferee by an Investor, such rights shall be exercised either by the transferee or the Investor and not both.
- (d) Except as set out in Article 14 of the Agreement, the rights and obligations of the Investor Group shall not be continued upon completion of an IPO.
- (e) Other than (i) the listing fees, audit fees (not in relation to the IPO), and expenses for any product or corporate advertisements consistent with past practice of the Company (other than the expenses relating to the IPO) which will be solely borne by the Company; and (ii) fees for counsel to each Selling Shareholder, which shall be solely borne by the respective Selling Shareholders, all fees, costs and expenses in relation to the IPO, as the case may be, shall be borne by the Company and all the Selling Shareholders in proportion to the Equity Securities issued / offered by them in the IPO. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the IPO, each Selling Shareholder shall, severally and not jointly, reimburse the Company for any expenses in relation to the IPO paid by the Company on behalf of the respective Selling Shareholder directly from the public offer account, in proportion to the Equity Securities issued / offered by them in the IPO.

20.6 Tag Along

- (a) If at any time prior to the IPO, the Promoters and/or their Affiliates transfer any Shares in the Company, either directly and/or indirectly to a third party, then Investor Group shall have the right to sell such number of Shares in the Company, on the same terms and conditions, including price, as bears to the total Shares held by the Investor Group in the Company, the same proportion which the Shares proposed to be sold by the Promoters and/or their Affiliates bears to the total shares held by the Promoters and/or their Affiliates, as the case may be, in the Company. Provided, however, that the Investor Group shall not: (i) be required to provide representations, warranties or indemnification (including escrow, hold-back or other similar arrangements to support indemnity) and other than in relation to title and authority to transfer, or (ii) be obligated to provide indemnification in excess of its pre-tax proceeds received in connection with such transfer.
- (b) The above right shall not be available to the Investor Group in a transfer of Shares (in a

single or a series of transactions) by Mr. William Nanda Bissell (“**Mr. Bissell**”) of upto 3% of the Share Capital of the Company as of Closing Date or his Affiliates of up to 5% of the Share Capital of the Company as of Closing Date.

- (c) In computing the number of Shares that the Investor Group shall be entitled to sell to such third party under sub-article (a) above in a transfer of Shares by the Promoters and/or their Affiliates, all the Shares sold by Mr. Bissell and/or his Affiliates under sub-article (b) above shall be taken into account.
- (d) In addition, if the proposed sale by Mr. Bissell or his Affiliates were such that (a) the Ownership of Mr. Bissell directly or indirectly (including through holdings in JLB Partners Holding Inc.) in the Company drops below 26% of the Share Capital or, (b) the Ownership of the Promoters in the Company drops below 35% of the Share Capital, or, (c) there would be a Change in Control, Investor Group shall have the right to sell part or all of its Investor Shares to the same third party acquirer on the same terms at the same time (in each case, including the proportional and full tag rights in this Article 20.6 above, the “**Tag Along Right**”) in accordance with Article 20.7 hereof.

20.7 Where the Tag Along Right is exercised pursuant to Article 20.6:

- (a) Within 14 days of the Promoters or Mr. Bissell, as applicable, receiving an offer from a third party, the Promoters or Mr. Bissell, as applicable, shall send a written notice (the “**Tag Along**

Notice”) to the Investor Group setting forth, as to each potential third party purchaser (the **“Potential Purchaser”**) to whom the sale is proposed to be made, all relevant details of such proposed sale.

- (b) Upon receipt of the Tag Along Notice from the Promoters or Mr. Bissell, as applicable, the Investor Group shall have the following options:
 - (i) To exercise the Tag Along Rights, either in full or part, at a price and on the terms and conditions (the **“Terms”**) specified in the Tag Along Notice and sell its respective portion of the Investor Shares to the Potential Purchaser contemporaneously with the Promoters or Mr. Bissell, as applicable, in accordance with Article 20.7(a), or
 - (ii) Not to exercise the Tag Along Rights but permit the Promoters or Mr. Bissell, as applicable, to sell or dispose of their shareholding referred to in the Tag Along Notice.
- (c) Upon receipt of the Tag Along Notice, the Investor Group shall, within 14 days, notify the Promoters or Mr. Bissell, as applicable, in writing of the option it has chosen to exercise and accordingly the Parties shall act. In the event that the Investor Group fails to notify its chosen option within the timeframe prescribed, then it shall be deemed that the Investor Group has exercised the option under Article 20.7(b)(ii).
- (d) Where the Investor Group chooses the option set forth in Article 20.7(b)(i), the Promoters or Mr. Bissell, as applicable, shall not sell their Shares as per Article 20.6 above, unless the Investor Shares are contemporaneously sold and unless the Potential Purchaser has executed a Deed of Adherence in the form as set out at Annexure-4 of the Agreement.
- (e) If the Investor Group does not elect the option under Article 20.7(b)(i), then the Promoters or Mr. Bissell, as applicable, shall have 120 days from the date of the Tag Along Notice to sell the Shares referred to in the Tag Along Notice to the Potential Purchaser at a price not higher than that contained in the Tag Along Notice and on terms and conditions not more favorable than the Terms there included. The Promoters, or Mr. Bissell, as applicable, shall have the right to sell the Shares to the Potential Purchaser in terms of this Article 20.7(e) provided that the Potential Purchaser has executed a deed of adherence in the form as set out at Annexure-4 of the Agreement.
- (f) Promptly after any sale pursuant to Article 20.6, the Promoters or Mr. Bissell, as applicable, shall notify the Investor Group of the consummation thereof and shall furnish such evidence of completion (including time of completion) of such sale and of the terms thereof as the Investor Group may request.
- (g) If at the end of the 120 days period provided in Article 20.7(e), the Promoters or Mr. Bissell, as applicable, has not completed the sale of their Shares, the Promoters or Mr. Bissell, as applicable, shall no longer be permitted to sell any Shares pursuant to Article 20.6 without again fully complying with the provisions of this Article 20.7 and all of the restrictions on sale, transfer, assignment or other disposition contained in these Articles shall again be in effect.

- 20.8 So long as the Investor Group's Ownership is not less than 4% of the Share Capital of the Company (3% in case of dilution not on account of active sales), the Company shall deliver to the Investor Group the following documents:
- (a) as soon as practicable after the end of each fiscal year, and in any event within 90 calendar days thereafter, audited consolidated balance sheets of the Company as per requirements of the Act following Indian GAAP;
 - (b) unaudited quarterly financial statements within 60 days of the end of each financial quarter and monthly management information systems' ("MIS") statements within 1 week of the end of each calendar month (as applicable);
 - (c) as soon as available, monthly MIS or condition which may constitute a Material Adverse Change; and
 - (d) within 30 days from any request, such other information that is part of the Company's usual management information relating to the Business as may be reasonably requested by the Investor from time to time.
- 20.9 The rights of the Investor Group to issue notices and receive information may be exercised directly by it or through an Investor Director.
- 20.10 The restrictions on Transfer set out in this Article 20 shall not be applicable to transfer of Shares by any Party, except Mr. William Nanda Bissell, to such Party's Affiliate(s), provided that such Affiliate has executed a deed of adherence, in the form as set out at Annexure-4 of the Agreement, accepting and agreeing to the terms of the Agreement. Provided that if such transferee ceases to be an Affiliate, such transferee shall and the Party which had transferred Shares to such transferee shall procure that it does, transfer such Shares back to such Party or any other Affiliate of such Party (who shall also be required to execute the deed of adherence, as aforesaid).

XXI. PROCEEDINGS AT GENERAL MEETING

- 21.1 Subject to the provisions of Section 115 of the Act, relating to special notice, twenty one days clear notice atleast specifying the place, the day and the hour of the meeting and the statement of business to be transacted at the meeting shall be given to such persons, who under these Articles and the provisions of the Act, are entitled to receive such notice from the Company, but the accidental omission to give such notice to or the non-receipt of notice by any such persons shall not invalidate the proceedings at any General Meeting. A General Meeting may be called by shorter notice in accordance with the provisions of Section 101(1) of the Act.
- 21.2 No business shall be transacted at General Meeting unless a quorum of members is present both at the beginning and at all times when the meeting proceeds to conduct its business. Save as otherwise provided in these Articles, two members present in person shall form a quorum.
- 21.3 At any General Meeting any resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in accordance with the provisions of Section 109 of the Act and

unless a poll is demanded, a declaration by the Chairman that the resolution has, on a show of hands, been carried by a particular majority and an entry to the effect in the minute book containing the proceedings of the meeting of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

21.4 At any General Meeting or the Directors meeting, the Chairman shall not have any casting vote.

21.5 Passing resolutions by Postal Ballot

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended from time to time, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time and applicable Law.

21.6 The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

XXII. INDEPENDENT DIRECTORS

22.1 The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations, if applicable.

XXIII. DIRECTORS

23.1 Unless and until otherwise determined by the Company in a General Meeting, the number of Directors shall not be less than two and not more than fifteen. The Company shall also comply with the provisions of the Act and the provisions of the SEBI Listing Regulations, if applicable to the Company.

23.2 The First Directors of the Company are:

1. Lt. Gen. (Rtd.) Har Krishan Sibal
2. 3. Mr. Madhukar Khera
3. Mrs. Meena Chowdhury

23.2A ^The Board may appoint a Chairman or Vice-Chairman of the Company, whether executive or non-executive, amongst the Board of Directors on such terms and conditions including the tenure, remuneration, commission and carrying such rights, duties, responsibilities and powers as may be prescribed by the Board from time to time.

23.3 Subject to the provisions of the Act, and applicable Law, including the provisions of the SEBI Listing Regulations, as applicable, a Managing Director, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under Section 197 and other applicable provisions of the Act.

23.4 Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

23.5 The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first *proviso* to Section 197 of the Act.

23.6 The Directors shall also be entitled to be paid all traveling and hotel expenses incurred by them respectively in or about the performance of their duties as Directors including their expenses of traveling to and from Board meeting. Till the Board decides to the contrary they shall be paid a fee not exceeding an amount as prescribed by the Act read with the relevant rules thereof.

23.7 Subject to the provisions of these Articles, if any Director, being willing, shall be called upon to perform extra services or to make any special exertion in going or residing elsewhere in India or abroad or otherwise for any of the purposes of the Company, the Company shall remunerate the Director for so doing, either by a fixed sum or by a percentage on profits of commission or otherwise, as may be determined by the Directors, and such remuneration may be either in addition to or in substitution of his or their share in their remunerations above provided, subject, however, to Section 188 of the Act.

23.8 Notwithstanding anything to the contrary contained in these Articles, the Investor Group shall have the following rights:

- (a) Subject to Article 23.8(b) below, for so long as the Ownership of the Investor Group is not less than the Minimum Ownership and is at least 18%, the Investor Group shall be entitled to nominate for appointment two (2) Directors on the Board, who shall not be liable to retire by rotation (“**Investor Directors**”). If the ownership of Investor Group is between the Minimum Ownership and 18%, the Investor Group shall be entitled to one (1) Board seat.

Further, so long as the Ownership of the Investor Group is not less than the Minimum Ownership, the Investor Group shall have the right to nominate one (1) observer to attend any of the board meetings of the Company's Subsidiaries, and the costs of such attendance by the observer shall be to the account of the Investor Group. Each appointment, removal or replacement of any Investor Director shall be implemented without delay and in accordance with Applicable Laws. One (1) Investor Director shall be entitled to be a member of the Audit Committee, Remuneration & Compensation Committee, the IPO Committee and the Investment Advisory Committee of the Board, when such committees are formed.

- (b) The Investor Group shall have rights no less favourable than those available to any other investor, either directly or indirectly, in the Company. In the event that any other Person is provided with more favorable rights (including where any other Person (i) acquires Shares in the Company, and/or (ii) Shares are issued to such Person) than those provided to the Investor Group, such rights shall automatically become available to the Investor Group (provided that in the event of acquisition or subscription of Shares by such Person on more favorable terms, such terms are adjusted for stock splits and bonus and rights issues that the Company may announce in keeping with Applicable Law) and the Articles shall be amended to provide the Investor Group rights no less than those conferred to such other investor.
- (c) The rights of the Investor Group above to nominate a Director ("**Original Director**") for appointment on the Board, includes the right to remove from office any Investor Director nominated by it, as applicable, and from time to time determine the period for which such individuals shall hold office as Director. The right of any Party to nominate a Director also includes the right to nominate an alternate Director ("**Alternate Director**") to attend Board meetings on his/her behalf by writing to the Company at least one (1) week prior to the Board meeting. Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the jurisdictional Registrar of Companies. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in his or her absence. The Investor Group shall also have a right to withdraw its nominated Alternate Director and nominate another in his place. The Promoters shall exercise their voting rights in Board and shareholders' meetings to secure such appointment or removal, as the Investor Group may elect.
- (d) The Investor Group shall have a right to fill in any casual vacancy caused by the resignation, death, removal or otherwise of an Investor Director or his alternate. All nominations made by the Investor Group, shall be in writing and shall take effect on its receipt at the office of the Company.
- (e) Subject to the additional requirements of Article 14.1, quorum for a meeting of the Board shall be at least four (4) members of the Board. Further, quorum for meeting of a committee of the Board shall be determined as per the requirements of the Act.
- (f) If adequate quorum is not achieved at such Board meeting, or meeting of any committee thereof, such meeting shall be adjourned by a week to be held at the same place and at the same time as the original meeting.

- (g) All meetings of the Board shall be held as per the requirements of the Act and Applicable Laws including where permitted, by participation of Directors through video-conference or other permissible electronic mediums.
- (h) The Company shall reimburse all reasonable expenses incurred by Directors in attending meetings of the Board and committees thereof, including air travel, accommodation and miscellaneous costs. However, these expenses shall be adjusted against the commission payable to the Directors.
- (i) All Board decisions shall be in accordance with these Articles and shall be taken by the affirmative vote of a simple majority present and voting at a meeting with a valid quorum and each Director shall have one (1) vote, except where any decision pertains to minority rights matters, as stated in Article 14.1, where provisions of Article 14.1 shall apply.
- (j) The Company shall ensure that any and all minority rights matters as set out in Article 14.1 and pertaining to any Material Subsidiary shall be mandatorily referred to the Board. The Company shall necessarily (i) exercise (at meetings of shareholders of the Material Subsidiary) and (ii) cause its nominee directors on the board of directors of the Material Subsidiary to exercise the voting rights of the Company with respect to such minority rights matters, strictly in accordance with the decision of the Investor Group taken in terms hereof.
- (k) The Company shall ensure that it does not enter into any transaction with any Related Parties without the prior approval of the Board, and all transactions between the Company and Related Parties are at arm's length.

XXIV. ROTATION OF DIRECTORS

- 24.1 Retirement and re-appointment of Directors shall be as per the provisions contained in Section 152 of the Act read with Table F Schedule 1 to the Act.
- 24.2 A retiring Director shall be eligible for re-appointment.
- 24.3 No holding of shares shall be required of any person to qualify him for the office of Director.

XXV. MANAGEMENT

- 25.1 Subject to the provisions of Section 203 of the Act, the terms of these Articles and the Agreement, the Board of Directors may, from time to time, appoint any person or persons as Managing Directors or Managers or whole time director(s) or Chief Executive Officer, Company Secretary and Chief Executive Officer of the Company on such terms as to duration of office and remuneration (which may be by way of salary, commission or participation in profits or any other mode not prohibited by the Act or partly in one mode and partly in other) as they may think fit and remove or dismiss him or them from office and appoint another or others in his or their place or places.
- 25.2 The Board of Directors may, from time to time, delegate to the person appointed as Managing Director or Manager such of their powers as they consider proper.

- 25.3 The Directors may, from time to time, elect among themselves from their number an Executive Chairperson and determine the period for which he/she is to hold office and fix his/her remuneration.

XXVI. POWERS AND DUTIES OF THE DIRECTORS

- 26.1 Subject to the terms of these Articles and the Agreement, the Board may, from time to time, and at any time provide through local boards, attorneys or agencies for the management of the affairs of the Company abroad and may appoint any person to be member of such local board or as attorneys or agents and may fix their remuneration.
- 26.2 The Company may exercise the powers conferred by Section 179 of the Act and those powers shall accordingly be exercisable by the Directors.
- 26.3 Subject to the terms of these Articles and the Agreement, the Board may, from time to time, at any time delegate to any Managing Director, Local Boards, General Manager, Secretary, Attorney or Agent, any of the powers, authorities and discretions for the time being vested in the Directors and such appointments or delegation may be made on such terms and subject to such conditions including power to sub-delegate as the Board may think fit and the Board may at any time remove any person so appointed and annul or vary such delegation but no person dealing in good faith without notice of such annulment or variation shall be affected thereby.

XXVII. COMMITTEES AND DELEGATION BY THE BOARD

- 27.1 The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014, as amended from time to time, or any other Law and the provisions of the SEBI Listing Regulations, if applicable to the Company, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.
- 27.2 Subject to the applicable provisions of the Act, the requirements of Law, these Articles and the Agreement, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- 27.3 The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

XXVIII. BORROWING POWERS

- 28.1 Subject to these Articles and the Agreement, the Board may, from time to time, at their discretion

raise or borrow or secure payment of or lend any sum or sums of money for the purpose of the Company. Notwithstanding anything contained above, the Company or its Board of Directors shall not invite or accept deposit from persons other than Company's members, directors or their relatives, subject to applicable provisions of the Act.

- 28.2 The Board may raise or secure the payment or repayment of such sum in such manner and conditions in all respects as they think fit; and in particular by the issue of the Debenture stock of the Company, charged upon all or part of the properties of the Company (both present and future) including its uncalled capital for the time being, subject to the provisions of these Articles and the Act.
- 28.3 Debenture, Debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- 28.4 Any Debenture, debenture-stock bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of shares, attending and voting at General Meetings of the Company, appointment of Directors and otherwise, subject to the provisions of these Articles and the Act.
- 28.5 If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may, by an instrument under the company's seal, authorize the person in whose favour such mortgage or security is executed or any other person in trust for him; to make calls on the members in respect of such uncalled capital and the provisions herein contained in regard to calls shall mutatis mutandis apply to calls made under such authority and may be made exercisable, either conditionally or unconditionally, either presently or contingently and to the exclusion of the Board's powers or otherwise and assignable if expressed so to be.

XXIX. PROCEEDINGS OF DIRECTORS

- 29.1 The office of the Director shall be vacated in the circumstances specified under Section 167 of the Act.
- 29.2 Subject to the provisions of Section 175 of the Act and subject to the provisions of Article 14.1 of these Articles, a resolution circulated in writing to all the Directors at their addresses registered with the Company in India and approved by a majority of Directors, who are entitled to vote on the resolution, shall have the same effect and validity as a resolution of the Board duly passed at a meeting duly convened and constituted.

XXX. DIVIDEND

- 30.1 No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profit including reserves.
- 30.2 Subject to Article 14.1, the Company may declare dividend at any Annual General Meeting or any other General Meeting which has been called inter-alia for the purpose of declaration of dividend. However, the Board may declare interim dividend.
- 30.3 Every dividend warrant may be sent by post to the last registered address of the member

entitled thereto and the receipt of the person, whose name at the date of declaration of dividend appears on the Register of the members, as the owner of any Share(s) or in case of joint holders, of any one of such holders, shall be good discharge to the Company for all payments made in respect of the Shares. No unpaid dividend shall bear interest as against the Company.

- 30.4 Any money, investment or other assets, forming part of the undivided profits of the Company, either in reserve funds or otherwise and available for distribution as dividend or representing premium received on the issue of Shares may, if sanctioned by the Company, in General Meeting, be capitalized and distributed amongst such of the shareholders as are entitled to receive dividend and in the same proportions and all or any part of such capitalized sum, may if sanctioned as aforesaid, be applied on behalf of such shareholders in paying up in full either at par or at a premium any unissued Shares, debentures in or towards the payment of the uncalled liability on any issued shares or debentures or debenture-stock.

XXXI.NOTICES AND COMMON SEAL

- 31.1 Subject to the provisions of Section 101 of the Act, a notice of a meeting may be given by the Company to any member of the Company either in writing or through electronic mode in such manner as may be prescribed in the Act.
- 31.2 The Company shall have a Common Seal and the Board shall provide for the safe custody thereof.
- 31.3 Subject to the provisions of Rule 5 of Companies (Share Capital and Debentures) Rules, 2014, the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorized by it in that behalf, and except in presence of:
- (a) Managing Director of the Company; or
 - (b) Two Directors; or
 - (c) One Director and Secretary/ or a person authorized by the Board and such Managing Director, Director and the person authorized by the Board as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

XXXII. SECRECY

- 32.1 Every Director, Secretary, Manager, Auditor, Trustee, Member of the Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall be pledged to observe strict secrecy respecting all transactions of the Company and state of accounts with individuals and in all matters relating thereto and pledge himself not to reveal any of the matters which may have come to his knowledge in the discharge of his duties, except when required to do so by the Directors or by any meeting of the shareholders and excepting so far as may be necessary in order to comply with any of the provisions of these Articles.
- 32.2 Any officer or employee of the Company proved to the satisfaction of the Directors, to have been

guilty of disclosing the secrets of the Company shall be liable to instant dismissal without notice and to payment of damages.

XXXIII. INDEMNITY

- 33.1 Subject to Section 197 of the Act, the Chairman, Managing Director, Director, Auditor, Manager and other officers for the time being acting in relation to any Company and their heirs, executors and administrators respectively, shall be indemnified out of the assets of the Company from and against all suits, proceedings, costs, charges, losses and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trust except (such if any) as they shall incur or sustain by or through their own willful neglect or default, respectively, and they or any one of them shall not be answerable for the act, receipts, neglects or default of any other officer or trustees or for joining in any receipts for the sake of conformity or for the solvency or honesty of any bankers or other persons with whom any money or effects belonging to the Company may be lodged or deposited for the safe custody or for any insufficiency in or deficiency of security upon which any money of the Company shall be invested or for any other loss or damages due to any such cause as aforesaid or which may happen in or about the execution of the duties of his office or trust, unless the same shall happen through the neglect or default of such officer or trustee.

XXXIV. WINDING UP

- 34.1 In winding up, the Liquidators may, with the sanction of a special resolution distribute all or any of the assets in specie among the contributories in accordance with their rights.

XXXV. GENERAL POWER

- 35.1 Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case these Article(s) authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided that all such rights, privileges or authorities shall be exercised subject to the terms of these Articles and the Agreement.

PART-B

Notwithstanding anything to the contrary contained in Table F of the Companies Act, 2013 and/or Part A of these Articles, the provisions of Part B of these Articles shall govern the rights and obligations of the Purchasers (as defined below) in relation to the matters set out in this Part B of these Articles. Part B of these Articles along with the Agreement (as defined below), sets out the entire agreement and understanding between the Parties with respect to the subject matter of Part B. It is agreed and acknowledged that Part B of these Articles along with the Agreement (as defined below) contains all the contractual rights of the Purchasers in relation to the Company arising from the Purchasers becoming shareholders of the Company and the Purchasers shall not have any contractual rights under any other agreement or arrangement, including Part A, in relation to the Company solely by virtue of becoming shareholders of this Company pursuant to the Agreement.

In the event of any inconsistency, conflict or contradiction between the provisions of Part B of these Articles and Part A, the provisions of Part B of these Articles shall override and prevail over the provisions of Part A. The plain meaning of Part B of these Articles shall always be given effect to.

26. DEFINITIONS AND INTERPRETATIONS

26.1. Definitions

“**Affiliate**”, in respect of (a) any Person other than a natural Person shall mean, a company or entity, that directly or indirectly Controls or is Controlled by, as the case may be, the relevant Party, and (b) any Person being a natural person, any Relatives of such Person;

Provided that with respect to any Seller and any Purchaser, being a fund, Affiliate shall be deemed to include, without limitation any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership), special purpose vehicle or other vehicle or any subsidiary of any of the foregoing, which is managed and/or advised by the investment manager of such Party or any entity belonging to the group to which such Party belongs, whether on the Execution Date or in the future. It is further clarified that the term Affiliate in respect of such Party shall not include any investee company of the funds managed, advised or administered by the manager of such Party;

For the purposes of this definition, the term “Control” or “Controlled by” with respect to any Person, means: (a) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by agreement or otherwise or the power to elect more than half of the directors, partners or other individuals exercising similar authority with respect to such Person, or (b) the possession, directly or indirectly, of a voting interest of more than 50% (fifty percent), or (c) a contractual shareholder or director having veto right in management matters by law or contract;

“**Agreement**” and “**this Agreement**” shall mean (i) in relation to Purchaser 1, the Agreement dated September 16, 2019 entered into between Seller 1, the Company and Purchaser 1; and (ii) in relation to Purchaser 2, Purchaser 3, Purchaser 4, the Remaining Purchasers and the Other

Purchasers, Agreement dated September 16, 2019 entered into between the Sellers, the Company, Purchaser 2, Purchaser 3, Purchaser 4 and the Remaining Purchasers;

“Applicable Laws” shall mean all applicable (a) statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, regulations, rule of common law, listing regulations, notifications, guidelines or policies having the force of law of any applicable jurisdiction; (b) administrative interpretation, writ, injunction, directions, bylaws, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Governmental Authority or a stock exchange; and (c) international tax treaties, as may be in force in India and applicable to the Parties from time to time;

“Articles” shall mean this Part B of the Articles of Association of the Company;

“Board” shall mean the board of directors of the Company;

“Business Day” shall mean any day of the week (excluding Saturdays, Sundays and public holidays) on which commercial banks are open for business in Mumbai, Bengaluru and New Delhi;

“Closing Date” shall have the meaning ascribed to the term in the relevant Agreement;

“Competitor” shall mean, any Person that is directly engaged in the same or a similar kind of business as the business of the Company from time to time;

“Deed of Adherence” shall mean the deed of adherence set out in Part A or Part B or Part C of Schedule V of the Agreement, as the case may be;

“Fully Diluted Basis” shall mean the total of all classes and series of securities assuming that all outstanding options, warrants and other securities (whether issued or un-issued) convertible into or exercisable or exchangeable for Shares (whether or not by their term then currently convertible, exercisable or exchangeable), and the effect of any anti-dilution protection regarding previous financings, have been so converted, exercised or exchanged;

“Governmental Authority” shall mean any national, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency, any statutory body or commission or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law or any court, tribunal, arbitral or judicial body, or any stock exchange any applicable jurisdiction;

“IPO” shall have the meaning ascribed to ‘initial public offering’ under Regulation 2(w) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

“Other Purchasers” shall have the meaning ascribed to the term in the Agreement dated 16th September 2019 entered into between the Sellers, the Company, Purchaser 2, Purchaser 3,

Purchaser 4 and the Remaining Purchasers;

“Person(s)” shall mean any individual, sole proprietorship, unincorporated association, body corporate, corporation, company, partnership, limited liability company, limited liability partnership, joint venture, Governmental Authority or trust or any other entity or organization;

“Promoters” shall mean William Nanda Bissell and the persons listed along with his family members and persons listed in Annexure-1 of the Agreement;

“Purchaser 1” shall mean Axis New Opportunities AIF-1;

“Purchaser 2” shall mean Bajaj Holdings and Limited;

“Purchaser 3” shall mean Kotak Securities Limited;

“Purchaser 4” shall mean Kotak India Advantage Fund – I;

“Purchasers” shall collectively mean Purchaser 1, Purchaser 2, Purchaser 4, the Remaining Purchasers and the Other Purchasers;

“Relative” shall have the meaning ascribed to it under the Companies Act, 2013 and rules and regulations thereunder;

“Remaining Purchasers” shall mean the persons set out in Part B of Schedule III of the Agreement dated 16th September 2019 entered into between the Sellers, the Company, Purchaser 2, Purchaser 3, Purchaser 4 and the Remaining Purchasers, and shall include the Other Purchasers upon them becoming parties to the aforesaid Agreement by execution of the Deed of Adherence set out in Part D of Schedule V of the aforesaid Agreement;

“Rs.” shall mean Indian Rupees, being the official currency of the Republic of India;

“Sale Shares” shall have the meaning set out in the relevant Agreement;

“Seller 1” shall mean PI Opportunities Fund-I;

“Seller 2” shall mean Avian Management Consultants Private Limited;

“Sellers” shall collectively mean Seller 1 and Seller 2;

^^^**“Shares”** shall mean equity shares of face value Rs. 1 (Rupees One only) each of the Company;

“Strategic Investor” shall mean a Person, who or whose Affiliates, (a) has a shareholding interest of more than 10% (ten percent) in a Competitor and/or receives more than 3% (three percent) and/or Rs. 50 million of its annual revenues from activities akin to the Business of the Company and/or; (b) is a person who has representation on the board of any Competitor.

It is clarified that under no circumstances can a Strategic Investor be any person directly or indirectly acting on behalf of the Reliance group or its Affiliates. It is clarified that for countries/ territories outside India product lines that contribute to less than 5% (five percent) of the Company's total revenues, at the relevant time, are excluded from the purview of 'Competitor' for the purposes of this definition. For the avoidance of doubt, a Strategic Investor shall not include a person/ entity who is only a financial investor with less than 10% (ten percent) shareholding in a listed company engaged in a business similar to the Business of the Company; and

"Transfer" shall mean the direct or indirect sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly, whether voluntary or involuntary or by operation of law) of any legal or beneficial interest in any of the Shares or any direct or indirect interest therein.

26.2. Interpretation:

The following principles of interpretation would apply to these Articles:

- (i) headings are used for convenience only and shall not affect the interpretation of these Articles;
- (ii) a reference to a "Party" to any document includes that Party's successors, executors and permitted transferees / assigns, as the case may be;
- (iii) unless the context specifies otherwise, reference to the singular includes a reference to the plural and vice versa, reference to Sellers means reference to the relevant Seller(s) and reference to a gender includes a reference to the other gender;
- (iv) the terms "herein", "hereof", "hereto", "hereunder" and words of a similar purport refer to these Articles as a whole;
- (v) in the computation of periods of time from a specified date to a later specified date, the words "from" and "commencing on" mean "from and including" and "commencing on and including", respectively, and the words "to", "until" and "ending on" each mean "to but not including", "until but not including" and "ending on but not including", respectively;
- (vi) reference to statutory provisions shall be construed as meaning and including references also to all subordinate legislation made from time to time under that provision and any amendment or re-enactment (whether before or after the execution of the Agreement) for the time being in force or to any enactment substituting such statutory provisions and to all statutory instruments or orders made pursuant to such statutory provisions;
- (vii) references to any agreement or other document (including these Articles of the Company) shall unless the context otherwise requires, be deemed to include such agreement or other document as amended or novated from time to time;

(viii) unless otherwise specified, whenever any payment to be made or action to be taken under these Articles, is required to be made or taken on a day other than a Business Day, such payment shall be made, or action be taken on the immediately following Business Day;

(ix) the words “directly or indirectly” mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and “direct or indirect” have the correlative meanings;

(x) if provision in any Article is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive provision set out in the body of these Articles;

(xi) the words “include”, “includes” and “including” are deemed to be followed by the phrase “without limitation”;

(xii) any payments to be made by a Party pursuant to the provisions of these Articles and the Agreement to any other Party must be in immediately available cleared funds;

(xiii) all notices to be given, approvals and, or consents to be granted by each Party under these Articles and the Agreement shall be deemed to mean notices, approvals and / or consents in writing;

(xiv) any reference to “writing” or “written” means any method of reproducing words in a legible and non-transitory form;

(xv) any references to the share capital or shareholding pattern of a Person shall be, and shall be deemed to be a reference to the share capital or shareholding pattern of such Person on a Fully Diluted Basis;

(xvi) time is of the essence in the performance of each Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence;

(xvii) Any term not defined in Article 26.1 above but defined in the body of the Articles below shall have the meaning ascribed to it in such Article.

27. PURCHASERS' RIGHTS

27.1. Anti-Dilution

If the Company proposes an offering of its Shares to a third party by primary allotment (other than an employee stock option, any merger, reorganisation, acquisition by the Company, Shares offered by the Company to the public pursuant to an underwritten IPO or under the terms of these Articles or the Agreement or conversion of any convertible instrument), the Purchasers shall, subject to Applicable Laws, have the right to purchase, at the same terms set forth in the offering a proportion of such offered Shares of the Company equal to their then holding of Shares as a percentage of the share capital of the Company in order to maintain their

proportionate ownership in the Company.

28. PURCHASERS' EXIT CONSIDERATIONS

28.1. As part of any public offering ("**IPO**") of the Shares of the Company which shall occur latest by July 31, 2021, the Purchasers shall have the right to sell the Shares held by them as part of such IPO.

28.2. If the IPO is not completed by July 31, 2021, then the Company shall have the right to, and the Purchasers shall have the right to cause the Company to, appoint a leading investment bank to facilitate a secondary sale of their entire stake in the Company. The cost of all exit processes shall be borne by the Purchasers in proportion to their shareholding in the Company. Any Purchaser who does not exit pursuant to the exit process under this Article 28.2 (it being clarified that the exit being referred here is for the entire stake of the relevant Purchaser, and not for any part thereof) shall not be entitled to any other exit right as contemplated under this Article 28 and the rights of such Purchaser under Article 29 shall cease to apply, provided however that:

- (i) in relation to Purchaser 1, the right under Article 29.2(ii) shall cease to apply only upon the expiry of 1 (one) year from the date of Purchaser 1 declining to exit pursuant to the exit process under this Article 28.2.
- (ii) in relation to Purchaser 2, the right under Article 29.2(ii) shall cease to apply only upon the expiry of 1 (one) year from the date of Purchaser 2 declining to exit pursuant to the exit process under this Article 28.2.
- (iii) Purchaser 4 and the Remaining Purchasers, acting jointly, shall have the Second Tag Along Right under Article 29.2(ii) for a period of 1 (one) year from the date of Purchaser 4 and the Remaining Purchasers declining to exit pursuant to the exit process under this Article 28.2, so long as the cumulative shareholding of Purchaser 4 and the Remaining Purchasers participating in the Second Tag Along Right is greater than 1% (one percent) of the total Shares of the Company on a Fully Diluted Basis.

It is clarified that loss of exit rights under this Article 28 does not imply the loss of rights under Article 28.5 (transfer to an Affiliate). It is further clarified that the relevant Purchaser shall continue to have the right to Transfer their Sale Shares in accordance with Article 30.1, provided however that the consent of the Company for such Transfer by a Purchaser shall not be unreasonably withheld so long as the transferee is not a Competitor or a Strategic Investor and the transferee executes a Deed of Adherence as set out in Part B of Schedule V of the relevant Agreement, accepting and agreeing to the obligations under these Articles and the relevant Agreement.

28.3. In case the Company fails to appoint a leading investment bank or such leading investment bank is unable to facilitate an exit process in terms of Article 28.2. hereof to the Purchasers, the Purchasers shall be free to Transfer whole or part of the Shares held by them to third party investors at a price to be negotiated between the Purchasers and potential acquirer without recourse to the Company or its shareholders ("**Third Party Sale**"), provided the Third Party Sale of the Shares by the Purchasers does not result in substantial time and is at nil cost

for the Company and its management subject to the Purchasers not selling the Shares held by them, to a Competitor or a Strategic Investor.

28.4. Where a Purchaser elects to sell its shares to a third party in terms of either Article 28.2 or Article 28.3 hereof, then, such potential acquirer shall be under an obligation to execute a Deed of Adherence as set out in Part B of Schedule V of the Agreement accepting and agreeing to the obligations under these Articles and the Agreement.

28.5. It is hereby clarified that, the Purchasers may Transfer the Shares to their Affiliate(s), subject to the Purchasers not transferring the Shares held by them, directly or indirectly to a Competitor or a Strategic Investor, provided that such Affiliate has executed a Deed of Adherence as set out in Part A of Schedule V of the relevant Agreement accepting and agreeing to the terms of these Articles and the relevant Agreement.

28.6. The Company and PI Opportunities Fund - I shall make reasonable efforts to enable the Purchasers to sell their Shares in the Company in accordance with the terms of this Agreement and shall provide the Purchasers with all reasonable assistance and support for this purpose, subject to the same not resulting in substantial time being spent by, and being at nil cost to, the Company, PI Opportunities Fund - I and/or its management, as the case may be.

29. ADDITIONAL RIGHTS OF THE PURCHASERS

29.1. First Tag Along Right

(i) In case the Promoters collectively propose to Transfer more than 20% (twenty percent) of the Shares held by them in the Company post the consummation of sale of Sale Shares in one or more tranches between the Closing Date and July 31, 2021 (reckoned cumulatively from the Closing Date), then each of the Purchasers shall have the right to Transfer the Shares held by them which bear the same proportion to the total number of Shares held by each of such Purchasers as the proportion which the Shares sold by the Promoters collectively bear to the total number of Shares held by the Promoters on the Closing Date ("**First Tag Shares**"), on the same terms and conditions including price and at the same time, it being clarified that the Purchasers shall not provide any representations, warranties or covenants, except customary representations and warranties in relation to their title of the Sale Shares and authority to execute the agreement(s) and effect the sale as proposed (the "**First Tag Terms**", the right being the "**First Tag Along Right**") in accordance with terms and conditions as laid down below:

- a) In the event of any proposed sale of Shares by the Promoters ("**First Transferring Party**") to any third party investor ("**Potential Investor**"), the First Transferring Party shall deliver a written notice to the Purchasers within 14 (fourteen) days from the date of offer from the Potential Investor, setting forth all the relevant details of the proposed sale (the "**First Tag Along Notice**").
- b) Upon receipt of the First Tag Along Notice from the First Transferring Party, the Purchasers shall have the option to exercise the First Tag Along Right, on an inter-se pro rata basis, either in full or part, at a price and on the First Tag Terms specified in the First Tag Along Notice and Transfer the First Tag Shares which they are entitled to

Transfer to the Potential Investor contemporaneously with the First Transferring Party.

Upon receipt of the First Tag Along Notice, the Purchasers shall within 14 (fourteen) days notify the First Transferring Party, in writing of the option it has chosen to exercise the First Tag Along Right. In the event that any of the Purchasers fail to notify their chosen option within the time frame prescribed herein, then it shall be deemed that such Purchasers have opted not to exercise the First Tag Along Right. In this regard, each of the Purchasers shall have a right to seek from the Company such information as may be required for the Purchasers to ascertain if the Transfer of Shares pursuant to the First Tag Along Right is in compliance with Applicable Law, and the time taken by the Company to provide such response (and the time required relating to obtaining any approval from a Governmental Authority for such sale) shall be excluded from the 14 (fourteen) day period referred above.

c) In case the Purchasers exercise the First Tag Along Right:

The sale of offered Shares by the First Transferring Party to the Potential Investor shall be subject to the Potential Investor also simultaneously acquiring the First Tag Shares offered by the Purchasers on the First Tag Terms.

d) In case the Purchasers do not exercise the First Tag Along Right:

The First Transferring Party shall have the right to Transfer the Shares referred to in the First Tag Along Notice at a price not higher than that contained in the First Tag Along Notice and on terms and conditions not more favourable than the First Tag Terms.

To clarify, the Purchasers shall not be entitled to the First Tag Along Right under this Article for any Transfer aggregating up to 20% (twenty percent) of the Shares held on the Closing Date by the Promoters collectively on one or more occasions.

(ii) Notwithstanding anything contained in this Article, no First Tag Along Right shall become available to the Purchasers in case of any sale of Shares by the Promoter/s to the following:

- a) any Affiliates of the Promoters; and/ or
- b) any existing shareholder/s of the Company and/ or their Affiliates

(Article 29.1(ii)(a) and 29(ii)(b) shall together be referred to as “**First Transferee Affiliate/s**”)

It is hereby clarified and agreed upon that the sale of Shares by the Promoter/s under this Article 29.1(ii), shall not be counted for calculation of 20% (twenty percent) as mentioned in Article 29.1(i) above.

It is hereby also clarified that in such a case, the respective First Transferee Affiliate/s shall execute a Deed of Adherence as set out in Part A of Schedule V of the relevant Agreement accepting and agreeing to the terms of the relevant Agreement and shall step into the shoes of the Promoters, vis-à-vis the number of Shares acquired by the First Transferee Affiliate/s from the Promoters (“**First Transferee Affiliate/s Shares**”).

Accordingly, any future sale by the First Transferee Affiliate/s to any Potential Investor of the First Transferee Affiliate/s Shares shall entitle the Purchasers to Tag Along Rights in accordance with Article 29.1(i) above and Article 29.2 below.

29.2. In case the Company is unable to consummate an IPO by July 31, 2021, the Purchasers shall be entitled to the following additional rights:

(i) Board Seat: The Purchasers shall be entitled to jointly appoint 1 (one) Director on the Board of the Company.

(ii) Second Tag Along Right:

a) In case the Promoters collectively propose to Transfer more than 20% (twenty percent) (counted for the Promoters collectively) or PI Opportunities Fund-I proposes to Transfer more than 20% (twenty percent) of the Shares held respectively by them in the Company post the consummation of sale of Sale Shares in one or more tranches (reckoned cumulatively from the Closing Date), then, subject to Article 28.2, each of the Purchasers shall have the right to Transfer the Shares held by them which bear the same proportion to the total number of Shares held by each of such Purchasers as the proportion which the Shares being sold by the Promoters collectively and/ or PI Opportunities Fund-I (as the case may be) bears to the total number of Shares held by the Promoters and/ or PI Opportunities Fund-I (as the case may be) on the Closing Date (**"Second Tag Shares"**), on the same terms and conditions including price and at the same time, it being clarified that the Purchasers shall not provide any representations, warranties or covenants, except customary representations and warranties in relation to their title of the Sale Shares and authority to execute the agreement(s) and effect the sale as proposed (the **"Second Tag Terms"**, the right being the **"Second Tag Along Right"**) in accordance with terms and conditions as laid down below:

A. In the event of any proposed sale of Shares by the Promoters and/ or PI Opportunities Fund-I (**"Second Transferring Party"**) to any third party investor (**"Potential Investor"**), the Second Transferring Party shall deliver a written notice to the Purchasers within 14 days from the date of offer from the Potential Investor, setting forth all the relevant details of the proposed sale (the **"Second Tag Along Notice"**).

B. Upon receipt of the Second Tag Along Notice from the Second Transferring Party, the Purchasers shall have the option to exercise the Second Tag Along Right, on an inter-se pro rata basis, either in full or part, at a price and on the Second Tag Terms specified in the Second Tag Along Notice and Transfer the Second Tag Shares which they are entitled to Transfer to the Potential Investor contemporaneously with the Second Transferring Party.

Upon receipt of the Second Tag Along Notice, the Purchasers shall within

14 (fourteen) days notify the Second Transferring Party, in writing of the option it has chosen to exercise the Second Tag Along Right. In the event that any of the Purchasers fail to notify their chosen option within the time frame prescribed herein, then it shall be deemed that such Purchaser has opted not to exercise the Tag Along Right. In this regard, each Purchaser shall have a right to seek from the Company and PI Opportunities Fund-I such information as may be required for the Purchasers to ascertain if the transfer of shares pursuant to Second Tag Along Right is in compliance with Applicable Law, and the time taken by the Company and/or PI Opportunities Fund-I to provide such response (and the time required relating to obtaining any approval from a Governmental Authority for such sale) shall be excluded from the 14 (fourteen) day period referred above.

C. In case the Purchasers exercise the Second Tag Along Right:

The sale of offered Shares by the Second Transferring Party to the Potential Investor shall be subject to the Potential Investor also simultaneously acquiring the Second Tag Shares offered by the Purchasers on the Second Tag Terms.

D. In case the Purchasers do not exercise the Second Tag Along Right:

The Second Transferring Party shall have the right to Transfer the Shares referred to in the Second Tag Along Notice at a price not higher than that contained in the Second Tag Along Notice and on terms and conditions not more favorable than the Second Tag Terms.

To clarify, the Purchasers shall not be entitled to the Second Tag Along Right under this Article for any Transfer aggregating up to 20% (twenty percent) of the Shares held as on Closing Date by the Promoters collectively or for any Transfer aggregating up to 20% (twenty percent) of the Shares held by PI Opportunities Fund-I on one or more occasions, post the consummation of sale of Sale Shares on the Closing Date.

- b) Notwithstanding anything contained in this Article, no Second Tag Along Right shall become available to the Purchasers in case of any sale of Shares by the Promoter/s and/ or – PI Opportunities Fund-I to the following:

- A. any Affiliates of the Promoters and/ or PI Opportunities Fund-I; and/ or
- B. any existing shareholder/s of the Company and/ or their Affiliates

(Articles 29.2(ii)(b)A and 29.2(ii)(b)B shall together be referred to as “**Second Transferee Affiliate/s**”)

It is hereby clarified and agreed upon that the sale of Shares by the Promoter/s and/ or PI Opportunities Fund-I under this Article 29.2(ii)(b), shall not be counted for calculation of 20% (twenty percent) as mentioned in Article 29.2(ii)(a) above.

It is hereby also clarified that in such a case, the respective Second Transferee Affiliate/s shall execute a Deed of Adherence as set out in Part A of Schedule V of the relevant Agreement accepting and agreeing to the terms of the relevant Agreement and shall step into the shoes of the Promoters and/ or PI Opportunities Fund-I, as the case may be, vis-à-vis the number of Shares acquired by the Second Transferee Affiliate/s from the Promoters and/ or PI Opportunities Fund-I (“**Second Transferee Affiliate/s Shares**”).

Accordingly, any future sale by the Second Transferee Affiliate/s to any Potential Investor of the Second Transferee Affiliate/s Shares shall entitle the Purchasers to Second Tag Along Rights in accordance with Article 29.2(ii)(a) above.

30. TRANSFER OF SHARES

30.1. Restriction on Transfer of Shares

The Purchasers shall not, directly or indirectly, Transfer any of the Sale Shares held by them or any legal or beneficial interest therein other than as permitted under Article 28 and Article 29 of these Articles, without the prior written consent of the Company and subject to the third party transferee executing (i) a Deed of Adherence as set out in Part C of Schedule V of the relevant Agreement in case of a transfer prior to July 31, 2021 by Purchaser 1 or Purchaser 2, holding at least 1% (one percent) of the total Shares of the Company respectively, on a Fully Diluted Basis, of the entire Sale Shares (in one transaction to a single purchaser) acquired by it under this Agreement, (ii) a Deed of Adherence as set out in Part C of Schedule V of the relevant Agreement in case of a transfer prior to July 31, 2021 by Purchaser 4 and the Remaining Purchasers cumulatively holding at least 1% (one percent) of the total Shares of the Company on a Fully Diluted Basis, of the entire Sale Shares (in one transaction to a single purchaser) acquired by them under this Agreement or

(i) a Deed of Adherence as set out in Part B of Schedule V of the relevant Agreement in any other case.

Any purported Transfer or attempt to Transfer any of the Sale Shares by the Purchasers in violation of this Agreement, shall be null and void ab initio. The Company shall not recognize or record any Transfer of the Sale Shares that is not in accordance with the terms of this Agreement.

Notwithstanding anything contained in this Agreement, the Purchasers shall not, at any time, directly or indirectly, Transfer any legal or beneficial interest in the Shares to a Competitor or a Strategic Investor. Any Person to whom a Purchaser Transfers his / her / its Shares shall also be prohibited from transferring any Shares to a Competitor or a Strategic Investor.

31. FALL AWAY OF RIGHTS

The provisions of this Part B of the Articles and the provisions of the relevant Agreement shall cease to apply with respect to a Purchaser if such Purchaser, Affiliates of such Purchaser, or any Transferee of such Purchaser who has executed a Deed of Adherence in Part A or Part C of Schedule V of the relevant Agreement, after the relevant Closing Date, cease to hold at least 50% (fifty percent) of the Sale Shares acquired by such Purchaser under the relevant

Agreement. Provided however that if the Purchaser has participated in the First Tag Along Right under Article 29.1, the number of Shares Transferred pursuant to exit(s) under Article 29.1 shall be reduced from the numerator and denominator for making the determination, for termination during any period prior to July 31, 2021, of 50% (fifty percent) of Sale Shares acquired by the Purchaser under this Agreement.

Provided further that with respect to (i) Purchaser 4 and the Remaining Purchasers acting jointly, (ii) Purchaser 1, or (iii) Purchaser 2 alone, if such termination takes place after July 31, 2021 due to participation by them in the Second Tag Along Right, the Second Tag Along Right shall continue to be available to them: (a) in accordance with Article 28.2(i) (in the case of Purchaser 1 and Purchaser 2) or Article 28.2(iii) (in the case of Purchaser 4 and the Remaining Purchasers) or, (b) if Article 28.2 is not applicable, (x), with respect to Purchaser 1 and Purchaser 2, for a period of 1 (one) year from the date that Purchaser 1 or Purchaser 2 (as the case may be) cease to hold at least 50% (fifty percent) of the Sale Shares acquired by such Purchaser under this Agreement; and (y) with respect to Purchaser 4 and the Remaining Purchasers, for a period of 1 (one) year from the date that such of Purchaser 4 or the Remaining Purchasers who have participated in the Second Tag Along Right cease to hold at least 50% (fifty percent) of the Sale Shares acquired by such Purchaser under this Agreement, so long as the cumulative shareholding of Purchaser 4 and the Remaining Purchasers participating in the Second Tag Along Right is greater than 1% (one percent) of the total Shares of the Company on a Fully Diluted Basis.

32. INFORMATION RIGHTS

32.1. Till such time that the Purchasers hold any Shares in the Company, the Purchasers shall have the right to be provided the following information:

- (i) audited consolidated financial statements of the Company;
- (ii) quarterly and annual management information systems (MIS); and
- (iii) any other similar information which the Parties may mutually agree upon from time to time.

33. GOVERNING LAW AND DISPUTE RESOLUTION

33.1. These Articles Agreement and all questions of its interpretation shall be construed in accordance with the laws of the Republic of India, without regard to its principles of conflicts of laws. Subject to Article 33.2 below, the courts of New Delhi shall have the exclusive jurisdiction.

33.2. All disputes will be settled by an arbitration panel comprising of 3 (three) arbitrators, with the Seller and/or the Company (depending on the disputing Party/Parties) appointing the first arbitrator and all the disputing Purchasers, acting together, appointing the second arbitrator. The two arbitrators shall then appoint the third presiding arbitrator.

33.3. The proceedings of such arbitration shall be governed by the Arbitration and Conciliation Act, 1996 and rules issued thereunder.

33.4. The venue and seat for arbitration shall be New Delhi, India.

S. No.	Names, addresses and description of the subscribers	Signatures of the Subscribers	Name and address of Witness
1.	Mrs. Meena Chowdhury W/o Mr. Morad Chowdhury Business Executive IB-Mathura Road, Jangpura New Delhi	Sd/-	I witness the Signature of both the subscribers Vikas Vig S/o Shri Inder Dev Vig Chartered Accountant 120-B, Gujranwala Town, G.T. Road, Delhi
2.	Lt. Gen. Harkrishen Sibal S/o Diwan Chand Sibal Business Executive D-387, Defence Colony New Delhi	Sd/-	

New Delhi

Dated this 24th day of Nov 1976

[Article I to XXV inserted vide Special Resolution passed at EGM held on February 21, 2012*

New set of Articles of Association adopted from Article I to XXV vide Special Resolution passed at 39th Annual General Meeting held on September 29, 2016.

@ New set of Articles of Association adopted from Article I to XXV vide Special Resolution passed at 40th Annual General Meeting held on August 18, 2017.

^ Article 15.2A inserted vide Special Resolution passed at 41st Annual General Meeting held on September 18, 2018.

*** Insertion of Articles 4.10 and 4.11, and substitution of Article 7.10 vide Special Resolution passed in an Extra-ordinary General Meeting held on 1st October, 2019.*

^^ New set of Articles of Association adopted consisting of Part A and Part B vide Special Resolution passed in an Extra-ordinary General Meeting held on 30th June, 2020 through audio-visual mode as per MCA circulars dated 08th April 2020 and 13th April 2020.

^^^ and ^^^ i.e. Article 4.1 and 26.1 replaced vide Special Resolution passed at Extra-Ordinary General Meeting held on June 08, 2021.]

@@ Alterations made pursuant to Special Resolution passed at the 44th Annual General Meeting of the Company held on September 30, 2021 to change the name of the Company from Fabindia Overseas Private Limited to Fabindia Private Limited.

***** Alterations made pursuant to Special Resolution passed at the 44th Annual General Meeting of the Company held on September 30, 2021 to convert the Company from Private Limited to Public Limited Company.*