**SHARE SUBSCRIPTION AND SHAREHOLDERS’ AGREEMENT**

**DATED [■] , 2022**

**AMONGST**

**Truevibez Private Limited**

**(“Company”)**

**AND**

**Rajesh Dilip Karandikar**

**(“Promoter 1”)**

**AND**

**Prem Lata Dass**

**(**“**Promoter 2**”**)**

**AND**

**New Investor as per Schedule I**

**SHARE SUBSCRIPTION AND SHAREHOLDERS’ AGREEMENT**

This Share Subscription and Shareholders’ Agreement is made on this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2022 (“**Execution Date**”), by and between:

1. **Truevibez Private Limited,** a private limited company, incorporated in India under the Companies Act, 2013 bearing CIN: U72900PN2020PTC192111, and having its registered office situated at F-203, Anjor Housing Society, 2nd Lane, Veerbhadra Nagar, Baner Pune MH 411045 IN (hereinafter referred to as “**Company**” which expression shall, unless it be repugnant to the context, include its administrators and permitted assigns, as the case may be) of the **FIRST PART**;
2. **Rajesh Dilip Karandikar**, an Indian citizen, residing at 3/A, Amrai, Keviz Park, Hindu Colony, Nagala Park, Karvir,Kolhapur - 416003 (hereinafter referred to as “**Promoter 1**” which expression shall, unless it be repugnant to the context, include her respective heirs, executors, administrators, successors and permitted assigns, as the case may be) of the **SECOND PART;**
3. **Prem Lata Dass,** an Indian citizen, residing at B -1001, Aura, Next to Sapphire Park, Near Mitcon, Balewadi, Pune – 411045 India (hereinafter referred to as “**Promoter 2**” which expression shall, unless it be repugnant to the context, include her respective heirs, executors, administrators, successors and permitted assigns, as the case may be) of the **THIRD PART;**
4. The Persons whose names and addresses are set out in **Schedule I** (each a “**New Investor**” or “ **Investor**” or “**SS**” hereinafter, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include their respective heirs, successors, administrators and permitted assigns, as the case may be) of the **FOURTH PART**;

Promoter 1 to Promoter 2 shall hereinafter collectively be referred to as “**Promoters**” and individually as “**Promoter**”.

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

**WHEREAS:**

1. The Company is engaged in the business of [■] (the “**Business**”);
2. The Company has, as of the Effective Date, an authorized share capital of INR 10,00,000 (Indian Rupees Fifteen Lakhs) divided into 1,00,000 (One Lakhs) Equity Shares of INR 10/- (Indian Rupees Ten only) each with issued and paid-up capital of INR 10,000 (Indian Rupees Ten Thosuand Only) consisting of INR 10/- (Indian Rupees Ten only) Equity Shares of INR 1,00,000/- (Indian Rupees One Lakhs only) each;
3. The Promoters and the Company have requested the New Investor and the New Investor desires to (based on the Warranties, indemnities and covenants given by the Promoters and the Company hereunder), invest the Subscription Amount (as defined hereinafter). The New Investor shall invest in the manner stated in Clause 2 hereto, in consideration for the subscription to Subscription Securities. The shareholding pattern of the Company post investment by New Investor is detailed in **Part B Schedule II**; and
4. The Parties are now entering into this Agreement for the purpose of recording the terms of the investment by the New Investor in the Company and regulating the relationship of the Company, the Promoters and the New Investor, their *inter se* rights and obligations with respect to the management and operations of the Company.

**NOW THEREFORE**, in consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are hereby expressly acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

# DEFINITIONS AND INTERPRETATION

# In this Agreement, the defined and capitalized terms, to the extent not inconsistent with the context thereof, shall have the following meanings assigned to them herein below.

# “Act” shall mean the Companies Act, 2013 and shall include all amendments, modifications and re-enactments of the foregoing.

# “Agreement” shall mean this investment agreement entered into between the Parties hereto and includes any written modifications to the same including all annexures / schedules attached hereto.

# “Applicable Laws” shall mean all statutes, enactments and acts of legislature or parliament, ordinances, rules, byelaws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal, board or competent court.

# “Board” or “Board of Directors” shall mean the board of directors of the Company.

# “Business Day” shall mean any day, other than a Sunday or a public holiday, on which scheduled commercial banks in Bengaluru, India are open for normal banking business.

# “Confidential Information” means any and all information disclosed by a Party ("Disclosing Party") to the other Party ("Receiving Party"), whether orally or in writing, whether designated as confidential or not, that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Confidential Information shall include (i) the terms and conditions of this Agreement (ii) all information relating to the transaction exchanged between the Parties in any manner whatsoever and (iii) business and marketing plans, technology and technical information, product plans and designs, and business processes relating to the business of the Disclosing Party.

# “Class A Equity Shares” shall mean the fully paid-up equity shares of face value of INR 20/- (Indian Rupee Ten only) each of the Company having Differential voting rights as per the Memorandum and Article of Association of the company.

# “Closing” shall mean issuance of Class A Equity Shares to the Investor in accordance with Clause 4 of the Agreement.

# “Competitor” shall mean any person who, directly or indirectly, receives at least 50% (fifty percent) of its total revenue from the business or any activity similar to the Business of the Company.

# “Closing Date” shall mean the date on which Closing as contemplated in shall take place, which shall be within a period of 30 (thirty) days from the Execution Date.

# “Designated Bank Account” shall mean a bank account maintained by the Company into which the Investor shall remit the Investor Subscription Amount in accordance with the terms of this Agreement, the details of which are as follows:

|  |  |
| --- | --- |
| Account Number: |  |
| Bank, Branch |  |
| Beneficiary Name: |  |
| IFSC Code: |  |
| Swift code (only for out of the Country wires): |  |

# “Director” shall mean a director on the Board of the Company.

# “Equity Shares” shall mean the fully paid-up equity shares of face value of INR 10/- (Indian Rupee Ten only) each of the Company, of one or more classes, issued from time to time, together with all rights, obligations, title and interest in and to such shares, as described in the charter documents of the Company.

# “Employees’ Stock Option Plan” or “ESOP” means an employee stock option plan for the issue of options/Shares to any employee of the Company.

# “Equity Securities” shall mean equity capital, Equity Shares, preference shares, membership interests, partnership interests, joint ventures or other ownership interests of the Company or any options, warrants or other securities (including but not limited to compulsorily convertible preference shares and compulsorily convertible debentures) that are, directly or indirectly, convertible into, or exercisable or exchangeable for, such equity capital, Equity Shares, membership interests, partnership interests or other ownership interests (whether or not such derivative securities are issued);

# “Intellectual Property Rights” shall mean all intellectual and industrial property rights (Other than SS Property) including copyright, mask work rights, moral rights, trade secrets, patent rights, right in inventions, trademarks, trade names, service marks, design rights, utility models, business names, internet domain names, rights in database, data, source codes, reports, drawings, specifications, know how, software design and/or other materials, semi-conductors rights, topography rights, rights in nature of unfair competition and the right to sue for passing off and any other rights equivalent or similar to any of the foregoing in any jurisdiction worldwide (including applications for, and registrations, extensions, renewals, and re-issuances of, the foregoing. SS / Investor agrees that all Intellectual Property Rights in all Work shall vest solely and exclusively with Company.

# “Investor Subscription Amount” shall mean an amount of INR 29,880 /- (Indian Rupees Twenty Nine Thousand Eight Hundred and Eighty Only), to be paid by the Investor in a single tranche on or before the Closing Date to the Company as a consideration for the Investor Subscription Shares.

# “Investor Subscription Shares” shall mean 1,494 (One Thousand Four Hundred and Ninety Four) fully paid up Class A Equity Shares of the Company of face value INR 20 (Indian Rupee twenty) each, issued to the Investor on the Closing Date, at the Subscription Price.

# “Liquidation Event” means, in relation to the Company, one or more of the following events: (a) A merger, acquisition, change of Control, consolidation or a transaction or series of transactions resulting in a corporate restructuring, other than pursuant to further fund raises in the Company; (b) Any voluntary or involuntary dissolution, liquidation, or winding-up of the affairs of the Company; (c) sale, lease, license or other transfer of all or substantially all the Company’s assets or similar transaction;

# “Shareholder” shall mean a Person holding the Shares of the Company.

# “Shares” shall mean all securities of the Company, whether in the form of Equity Shares or any other security which may be converted into Equity Shares at a later date.

# “Subscription Price” shall mean price of INR 20/- (Indian Rupees Twenty Only]) per Class A Equity Shares , comprising of the nominal value of INR 20 (Indian Rupee Twenty only) per share

# “Transfer” shall mean transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), transfer by operation of law or in any other way subject to any encumbrance or dispose of, whether or not voluntarily;

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# SUBSCRIPTION TO THE SUBSCRIPTION SECURITIES

# Subject to the terms of this Agreement and relying on the Warranties, on the Effective Date and the Closing Date, the New Investor hereby agrees to subscribe to, and the Company hereby agrees to allot and issue to the New Investor, the Subscription Securities, at a pre-money valuation of INR {•} /- (Indian Rupees {•} Only).

# PAYMENT OF SUBSCRIPTION AMOUNT

* 1. The Investor agrees to subscribe to, and the Company agrees to allot and issue to the Investor, the Investor Subscription Shares against the payment of the Investor Subscription Amount by the Investor. Upon payment of Investor Subscription Amount, the Investor shall hold the Investor Subscription Shares.

# On or before the Closing Date, the Investor Subscription Amount shall be remitted by the Investor to the Designated Bank Account. The remittance of the Investor Subscription Amount by the Investor in the manner set out in this Agreement shall constitute full payment of the Investor Subscription Amount by the Investor in lieu of issuance of the Investor Subscription Shares to the Investor by the Company.

# The Parties agree that, notwithstanding anything contained in this Agreement, in the event that the Closing does not occur, in the manner envisaged in this Agreement, within 30 days after remittance of the entire Investor Subscription Amount by the Investor, then, the Company shall forthwith refund the entire Investor Subscription Amount to the Investor.

# The Parties agree and understand that the Investor Subscription Amount received under the provisions of this Agreement is not a deposit, whether for the purpose of Sections 73 or 76 of the Act or under the Companies (Acceptance of Deposits) Rules, 2014. The Parties further agree that none of the Parties shall claim that the Investor Subscription Amount relating to the Investor Subscription Shares issued by the Company is in the nature of a deposit and shall not resort to any provision under the Act or Companies (Acceptance of Deposits) Rules, 2014.

# CONDITIONS PRECEDENT TO CLOSING

The obligation of the New Investor to subscribe to the InvestorSubscription Shares is subject to the fulfilment (unless specifically waived in writing by the New Investor), in a form and manner satisfactory to the New Investor, of the following conditions (“**Conditions Precedent**”):

* + 1. The Promoters shall have caused the Company to pass and the Company shall have passed all necessary shareholders’ and Board resolutions as required under Applicable Law for executing, delivering and performing this Agreement;
    2. There shall not have occurred any breach of the Warranties, or the covenants and obligations of Promoters and the Company hereunder;
    3. The Warranties shall be true, accurate and correct at and as of the Effective Date and the Closing Date with the same effect as though such Warranties were made at and as of such dates;
    4. The Promoters and the Company shall have obtained all government, corporate, management, third party and regulatory approvals, consents, waivers and qualifications necessary to complete the transactions contemplated herein;
    5. The Company shall have provided a valuation certificate from an independent registered Valuer, in a form and substance satisfactory to the New Investor, certifying the valuation of the Subscription Securities;
    6. No Material Adverse Effect shall have occurred in the Business, financial condition, results of operations, or prospects of the Company.
    7. The Company shall provide the Investor/s with a copy of the Startup India Certificate issued by DPIIT to the Company
    8. The Company shall provide copy of Form 2 exemption from applicability of the provision of Section 56(2)(vii)(b) of the Income Tax Act 1961 from CBDT
    9. The Company and Promoter shall have delivered the certified true copy of the following resolutions and the following documents to the New Investor:

1. Board and Shareholders’ resolution authorizing the issuance of a right offer letter to the holders of equity shares in the Company;
2. Offer letters sent to the existing Shareholders of the Company and waiver letters received from the existing Shareholders in respect of the subscription-to-Subscription Securities; and
3. Board resolution approving the issuance of Series Seed Preference Shares;
4. Forms filed with the Registrar of Companies in respect of such issue.

The Promoters and the Company shall provide to the New Investor “CP Confirmation Certificate” dated the Closing Date, of the Company certifying as to the compliance with Clause 4.1

# CLOSING AND ALLOTMENT

* 1. The Promoters and the Company shall take all steps to promptly fulfil the Conditions Precedent by the Closing Date and upon the fulfilment (or waiver by New Investor, as case may be) of all the Conditions Precedent, they shall provide CP Confirmation Notice to the New Investor in a form as set forth in **Schedule VI** (“**CP Confirmation Notice**”). The CP Confirmation Notice shall be accompanied with duly authenticated or certified copies of all the necessary documents evidencing such fulfilment. If either the Company and/ or the Promoters become aware of anything which will or may prevent any of the Conditions Precedent from being satisfied before the Closing Date, the relevant Party shall forthwith notify the New Investor of such fact or occurrence, in writing. Upon being satisfied with the Conditions Precedent, the New Investor should provide a CP Satisfaction Certificate to the Company and the Promoters within 5 (Five) days of having received the CP Confirmation Notice.
  2. Subject to the New Investor being satisfied of the fulfilment of, or having waived (in writing) the Conditions Precedent, the Parties shall consummate the transactions contemplated in Clause 5.3 to 5.7 (“**Closing**”) which shall not be later than 15 (Fifteen) days of such waiver or satisfaction of Conditions Precedent (“**Closing Date**”) or such other date as may be mutually agreed between the Company and the New Investor.

### The Closing shall take place at the registered office of the Company on the Closing Date or at such other place as the Parties may mutually agree.

### On or before the Closing Date, the Investor shall pay to the Company the Investor Subscription Amount, by way of wire transfer to the Designated Bank Account.

### The Company shall, upon the receipt of the Investor Subscription Amount, allot the Investor Subscription Shares to the Investor.

### The Company shall issue and allot the Investor Subscription Shares to the Investor in accordance with the Applicable Law. The Company shall approve issuance and allotment of the Investor Subscription Shares in favor of the Investor and enter the name of the Investor as the registered holder of the Investor Subscription Shares in the Company’s register of members.

### The Company shall be responsible for the payment of any stamp duties related to the issuance and allotment of the Investor Subscription Shares, as per the Applicable Law. The Company shall deliver the original duly stamped share certificates in respect of the Investor Subscription Shares to the Investor.

### The Company shall make and undertake all required filings and compliances in connection with the issuance of the Investor Subscription Shares to the Investor with the concerned regulatory authorities, together with other necessary documents.

# CORPORATE GOVERNANCE

* 1. **Total Strength**: Unless otherwise agreed to among the Parties, the total strength of the Board of the Company on the Closing Date shall be as follows.
  2. **Constitution of the Board**: On the Closing Date, the composition of the Board shall be as follows:
     1. 2 (Two) Directors to be nominated by the Promoters the (“**Promoter Directors**”);
  3. **Chairman:** The chairman of the Board will be a Promoter (“**Chairman**”). The Chairman will not have a casting vote.
  4. **Replacement & Vacancy**
     1. Subject to the other provisions of this Agreement, it is hereby agreed and understood that in the event of vacancy of the position of the Promoter Directors in the future, for any reason whatsoever, only Promoters shall have the right to vote on appointment of the Promoter Directors in order to replace the relevant incumbent Promoter Director in accordance with Applicable Law. The appointment or removal of the Promoter Directors shall be in accordance with Applicable Law at all times.
  5. **Meetings of the Board**
     1. **Compliance with Applicable Law**: The Board of Directors shall meet at least once every quarter and at such other times as may be necessary for the conduct of the Business, in accordance with the requirements of the Applicable Law.
     2. **Place of Holding Board Meetings**: The meetings of the Board shall be ordinarily held at the registered office of the Company or any other location as may be mutually agreed by the Parties.
     3. **Notice of Board Meeting**: Notice of not less than 7 (seven) business days (excluding the day of notice and the day of the meeting), or such shorter period of notice in respect of any particular meeting with the written consent (which may be signified by letter, facsimile or e-mail with receipt acknowledged) of all Directors including Investor Director, specifying the date place and time, of the meeting and the business to be transacted there at, shall be given to all Directors and shall be accompanied by an agenda stating in detail the matters to be considered at such meeting together with all papers to be circulated or presented to the same.
     4. **Quorum**: Quorum for a meeting of the Board, or of any committee of the Board, shall be the presence, in person of at least 2 (two) Directors of the Company. No business shall be transacted at any Board meeting, unless there is a valid quorum both at the time when the meeting is called to order and throughout the meeting.
  6. **Participation in Board Meetings through Audio Visual Means**: Meetings of the Board may be held and Directors including Investor Director may be present and participate in the Board meetings by video or teleconference or any other audio-visual means in the manner prescribed under Applicable Law.
  7. **Decisions of the Board**: At any duly convened Board Meeting, each Director may exercise 1 (one) vote, all matters shall be decided by a simple majority.

# TRANSFER OF INVESTOR SUBSCRIPTION SHARES

* 1. In case the Investor desires to transfer the Shares held by it in the Company to a third party and receives a firm offer from such third party, the Promoters shall have the right to purchase such shares at the same or more favorable terms and price offered by the third party. The Investor shall be required to notify its intention to sell along with the details of the offer received from the third party to the Promoters in writing. In case the Promoters do not buy all or part of the Shares offered by the said selling Investor, the Investor may sell the all or remaining Shares, not bought by the Promoters, to the third party at a price and terms not less favorable than the price offered by the third party initially. Such sale to the third party should be made within 45 days of refusal by the Promoters. After expiry of the 45 days period, if the Shares are not sold to third party, the said Shares shall again become subject to the right of first refusal in favor of the Promoters. In no case, the Investor shall be entitled to transfer the Shares of Company to any person or entity engaged, directly or indirectly, in same or similar line of business as of the Company. The Third party Purchaser shall execute a deed of adherence in the form provided in Schedule IV of this Agreement with the Company and the Selling Shareholder/s stating that the provisions of this Agreement shall be binding on the Third party.
  2. In the event the Promoters decides to transfer Shares held by him in the Company such that the shareholding of the Promoters falls by more than 50% of his shareholding prior to such proposed transfer, then the Investor shall have the tag along right, but not the obligation, to sell and transfer proportionate number of Shares held by him in the Company to the third party at the same price and terms and conditions on which the third party agreed to purchase the Shares from the Promoters.
  3. In the event the Promoters desires to transfer all the Shares held by him in the Company to a third party, then the Promoters shall have the right to require the Investor to sell all or a portion of the Shares held by the Investor to the third party on the same terms and conditions agreed between Promoters and the third party (“**Drag Right**”). For the avoidance of any doubt, the Parties agree that upon exercise of the Drag Right, the Promoters shall have a right to negotiate transfer of hundred percent (100%) of the Shares of the Company. The Promoters may exercise the Drag Right by issuing a written notice (“**Drag Notice**”) to Investor. Upon receipt of the Drag Notice, the Investor shall be obliged to sell such number of shares as mentioned in the Drag Notice.
  4. Any Transfer of Shares by the Investor affected pursuant to and in accordance with this Agreement shall be subject approval from the Board of Directors. Further, provided that the New Investor shall not Transfer the shares held by it to a Competitor of the Company.
  5. The Purchaser shall execute a deed of adherence in the form provided in Schedule V of this Agreement with the Company and the Selling Shareholder/s stating that the provisions of this Agreement shall be binding on the Purchaser
  6. Any attempt to Transfer any Shares which is not in compliance with this Agreement shall be null and void and neither the Company nor any transfer agent shall give any effect in the Company’s register and transfer books to such attempted Transfer.

# PREEMPTIVE RIGHT

* 1. In the event that the Company proposes an issuance of Equity Securities of any amount to any person or entity (other than grant of options or shares to employees under the New Investor-approved stock option plan, allotment of Equity Shares as a result of conversion of any convertible instruments, issuance of shares through an IPO, issuance of securities pursuant to a share swap or as consideration other than cash as approved by the New Investor; or in connection with any stock split or stock dividend reclassification or reorganization or similar event with respect to the shares/share equivalents; [or the issuance of Equity Securities in relation to the Company’s other partnering arrangements approved by the Board]), then, in each such event, in order to maintain its percentage shareholding on a Fully Diluted Basis, the New Investor and the Promoters (“**Pre-emptive Right Holder(s)**”) will have the right but not an obligation to purchase such shares on a pro rata basis to maintain their respective shareholding on an as if converted basis at that point in time (“**Pre-emptive Right**”).
  2. The Pre-emptive Right shall be offered by the Company by issuing a written notice to the Pre-emptive Right Holders (“Issuance Notice”) setting forth in detail the terms of the proposed issuance, including the proposed issuance price per Equity Security (“Issuance Price”), the date of closing of the proposed issuance (which shall not be less than 15 (fifteen) days from the date of the Issuance Notice) and the number of Equity Securities proposed to be issued (“Issuance Shares”).
  3. If any of the Pre-emptive Right Holder wishes to exercise its Pre-emptive Right, then within 15 (fifteen) days from the date of receipt of the Issuance Notice, the Pre-emptive Right Holder shall issue a written notice to the Company intimating the Company that it wishes to subscribe to such number of Issuance Shares so as to maintain its pro rata shareholding in the Company, as at the time immediately prior to the proposed issue at the Issuance Price and shall pay for and subscribe to such number of Issuance Shares on the terms and conditions set out in the Issuance Notice. Subject to the receipt of the payment against exercise of the Pre-emptive Right by the Pre-emptive Right Holders, the Company shall issue and allot such number of Issuance Shares to the Pre-emptive Right Holders on the date of closing of the issuance as stated in the Issuance Notice, or any other date as mutually agreed upon by the Company and the Pre-emptive Right Holder at a price not less than the Issuance Price.
  4. In the event the Pre-emptive Right Holder declines to subscribe to the Issuance Shares or part thereof or does not respond to the Issuance Notice within the 15 (fifteen) days’ time period as set out in Clause 8.2.3 above, then the Company may issue and allot any unsubscribed Issuance Shares to any other Person (“Third Party Subscriber”) at the Issuance Price in accordance with the Issuance Notice, within a period of 90 (ninety) days from the date of the Issuance Notice. The Person (in the event not being a Shareholder of the Company) proposing to acquire the Equity Securities pursuant to the provisions of this Clause 7.2, shall execute a deed of adherence in the form provided in Schedule V and shall undertake in writing that it shall comply with the obligations as applicable under this Agreement.

# ANTI DILUTION RIGHT

* 1. If the Company offers any Equity Securities to a new investor or a third party after the Closing Date, at a price (the “New Price”) then the New Investor shall be entitled to a broad-based weighted average anti-dilution protection in such a way that the overall shareholding of the New Investors does not fall below 8% of the shareholding on the Fully Diluted basis. In shareholding falls below 8%, the total equity share will compensated by the Company by allocation of additional Management Stock Options or split of the shares. However it is agreed that Anti-Dilution protection shall not be available for any reduction in shareholding due to events such as Buy back of shares, Liquidation event and share transfer by the New investor. The Company shall Notify the New investor of the impact of the Dilutive Issuance prior to such issuance. It is hereby agreed by the Parties that the issuance in pursuance of the stock option scheme by the Company or IPO or conversion of Preference Shares or in connection with any share split, stock dividend/bonus shares or any subdivision of Equity Shares shall be excluded from the Anti Dilution Right detailed herein.

# ENDORSEMENT FEES

* 1. For the brand endorsement services that shall be provided as per SCHEDULE VI, the Company shall pay to SS in terms of consideration an amount of Rs. 4,00,000/- (Four Lakhs Only) per month after deducting applicable taxes for first 12 months from the closing date. The amount will be paid within 7 days of the end of each month post submission of valid GST invoice by SS. SS will share the Service Accounting Code for every supply of the Services. SS shall be responsible for payment of GST applicable on Invoice amount and uploading of correct data on GSTN. Company has a right to stop the payment of GST to SS if it has not been deposited to the Government and uploaded on GSTN data base by SS.
  2. SS acknowledge that all Work under this agreement is on a “work for hire” basis, and SS hereby do assign and transfer and to the extent any such assignment cannot be made at present, will assign and transfer, to Company and its successors and assigns all the right, title and interest in all Work Product. SS represents and warrants that Work Product shall be wholly original and Company’s exercise of the rights granted hereunder will not violate or infringe upon the Intellectual Property Rights or any other rights of any third parties.
  3. SS shall perform and render Services in a timely, efficient, competent and professional manner, with good industry practice, so as to achieve compliance with its obligations as laid down under this Agreement and to the full satisfaction of Company.
  4. The relationship with respect to Endorsement fees between the Company and the SS shall be on a principle to principle basis and no contractual or employment relations shall arise between any employee(s)/agent(s)/officer(s) deputed/deployed by SS for performing/providing Services under this Agreement and Company as a result of this Agreement.
  5. In case of termination of the agreement for any reason before the expiry of the term there shall be a Claw back of shares towards the shares held SS for the unexpired period out of a total term of 12 months. Under this clause if the termination happens then the promoters will have Call option to purchase the share from SS at the price permissible under Rule 11UA of the Income tax Rules 1962.

# REPRESENTATIONS AND WARRANTIES

* 1. Each Party represents to the other Party that:
     1. it has power to execute, deliver and perform its obligations under this Agreement and all necessary corporate, shareholder and other action has been taken to authorize such execution, delivery and performance;
     2. this Agreement constitutes its legally, valid and binding obligation, enforceable in accordance with its terms;
     3. the execution, delivery and performance of its obligations under this Agreement does not and will not:

1. contravene any Laws, or order of any Government Authority or any judgment or decree of any court having jurisdiction over it; or
2. conflict with or result in any breach or default under any agreement instrument, regulation, license or authorization binding upon it or any of its assets.
   * 1. To the best of its knowledge there is no action, suit or proceeding against its, pending before any court of law tribunal, judicial, quasi-judicial or administrative authority, which may affect its ability to perform its obligations hereunder.
   1. The New Investor represents to the other Parties that the entire Investor Subscription Amount invested by the Investor in the Company has been earned by the Investor from legitimate sources and duly accounted for and the investment by the Investor into the Company does not involve any money laundering activity.
   2. In light of the Foreign Exchange Management (Non-Debt Instruments) Amendment Rules, 2020, the New Investor hereby represents and warrants to the Company and the Promoters that the subscription to the New Investor Shares by the New Investor does not require any approval or consent from any Governmental Authority by virtue of the New Investor’s internal shareholding and/or ownership structure and fund structure.

# INFORMATION RIGHTS

* 1. The Company will maintain proper books of account and records in order to provide financial statements drawn up in compliance with all relevant statutory and accounting standards. An annual audit of the books of accounts, records and affairs of the Company shall be undertaken each year immediately following the close of the financial year by the auditors of the Company.

* 1. The Investor agree to provide all the information and documents as may be required by the Company for the purpose of various compliances under the applicable law.

# CONFIDENTIALITY

* 1. Each Party shall keep all Confidential Information including information relating to the Company and its business, and information relating this Agreement. Except as provided in this clause 12, each Party agree to hold in confidence and not use, disclose or reveal to any Confidential Information disclosed to it by the other Party. None of the Party shall issue any public release or public announcement or otherwise make any disclosure concerning this Agreement, and/or the transaction, without the prior approval of the other Parties.
  2. Nothing contained herein shall affect the right of a Party to disclose any Information to their employees, directors or professional advisers including to their Affiliates or investor strictly on a need to know basis, subject to obligations of confidentiality substantially similar to those as applicable to the disclosing Parties hereunder, and/or to any of the regulatory authorities or other person as required under applicable Law.
  3. The New Investor confirms and undertakes that they will maintain confidentiality of all business sensitive information relating to the affairs of the Company (including information about the Company’s business, operations, finances, employees, customers, vendors, and other activities) (“**Confidential Information**”) and such obligation will continue for indefinite period of time (subject only to Applicable Law limiting its application to any specific period) notwithstanding that the New Investor has ceased to be Shareholder. Provided however, that Confidential Information shall not include information which: (i) is, or becomes, publicly known, otherwise than through a wrongful act of the New Investor or its representative; (ii) is in the possession of the New Investor prior to receipt from the Company or its representatives without an obligation of confidentiality; (iii) is approved in writing by the Company or its representatives for disclosure; (iv) is received by the New Investor or its representative from a source not bound to the Company or its representatives or any of its affiliate by obligations of confidentiality. Provided further that nothing contained herein shall affect the ability of the New Investor to make disclosure to (i) any governmental authority or any other Person under the provisions of any Applicable Law, and/or the ability of the Parties to (ii) make disclosures to its lenders, advisors, shareholders, general partners, limited partners, potential partners/investors. Provided however that (a) in all such circumstances as covered under point (i), the New Investor, who shall be required to disclose such information shall, have to give prior written notice to the Company before making the disclosure except for any information to be furnished with Securities and Exchange Board of India (SEBI) for such Investment, indicating the nature of information that is proposed to be disclosed and in sufficient time to allow the Company to seek protection by way of injunction or otherwise of confidentiality of the information being disclosed and shall disclose only to the extent required; (b) in all circumstances covered under point (ii), the New Investor shall disclose only on a need-to-know basis and under confidentiality obligations no less stringent than those contained herein.
  4. Each Party shall keep all information relating to each other Party, information relating to the transactions herein and this Agreement (collectively referred to as the “**Information**”) confidential; provided however, that nothing in this Agreement shall restrict any of the Parties from disclosing any information as may be required under Law, subject to providing a prior written notice of 7 (seven) days to the other Parties.
  5. SS acknowledges that it shall be exposed to and/or will be provided with various information of whatever nature including but not limited to financial, technical, commercial, trade secrets, business affairs, methodologies, process strategies, clients, suppliers, business connections, SSs, Intellectual Property Rights, Work, terms of this Agreement, and/or other material, whether or not in writing, whether or not proprietary or marked and/or not marked as “Confidential” by the Company and disclosed by the Company to SS or otherwise accessed by SS either directly or indirectly, and regardless of the medium by which such information is supplied (including all copies and derivative works subsequently generated from such information) (collectively referred as “Confidential Information”). The Confidential Information may be in any form or medium, tangible or intangible and may be communicated/disclosed in writing, orally, electronically or through visual observation or by any other means

# NON-COMPETE AND NON-SOLICITATION

* 1. SS shall not, as long as he hold any shares in the Company , or as long as they are engaged with the Company, whichever is later and for a period of 12 (Twelve) months thereafter, either directly or indirectly through any Affiliate, whether as an individual, through a partnership, or as a shareholder, joint venture partner, collaborator, consultant, advisor, principal contractor or sub-contractor, director or in any similar manner, whether for profit or otherwise, (including, any combination thereof or through or with any of their respective Affiliates or any Director of the Company or otherwise howsoever):

a. undertake to carry on or engage in or be concerned in or provide advisory, consulting or any other services to any business or entity engaged in a business or activity that directly competes with the Business, or is identical to the Business

b. receive any financial benefit from any Protected Activity, whether as an employer, proprietor, partner, shareholder, investor, director, officer, employee, consultant, agent or otherwise

c. canvass or solicit orders for goods or services of a similar type to those being provided by the Company from any person who is a corporate customer of the Company

d. induce or attempt to induce any supplier of the Company to cease to supply, or to restrict or vary the terms of supply to it

f. induce or attempt to induce, any employee of the Company to leave the employment of or engagement with the Company

# NOTICES

Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the relevant Party at the address mentioned in **Schedule III** of this Agreement (or such other address as specified by the addressee or which is usually used to communicate with the addressee. Any notice, demand or other communication so addressed to the relevant Party shall be deemed to have been delivered (a) if delivered in person or by messenger, when proof of delivery is obtained by the delivering Party, (b) if sent by post within the same country, on the fifth (5th) Business Day following posting, and (c) if given or made by email, upon dispatch.

# MISCELLANEOUS

* 1. Amendment

### This Agreement shall not be amended, modified or supplemented except by a written instrument executed by each of the Party hereto.

Each Party acknowledges and undertakes to the other that if on account of any legal requirement including change in Law, this Agreement becomes unenforceable, all Parties shall take best efforts to agree to such modifications to the Agreement so as to as to make this Agreement operative and enforceable in accordance with the intention of the Parties and spirit of this Agreement.

* 1. Entire Agreement

### This Agreement constitute the whole agreement between the Parties relating to the subject matter hereof and supersedes any prior agreements or understandings relating to such subject matter executed amongst the Parties.

* 1. Severability

### Each and every obligation under this Agreement shall be treated as a separate obligation and shall be separately enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part. To the extent that any provision or provisions of this Agreement are unenforceable they shall be deemed to be deleted from this Agreement, and any such deletion shall not affect the enforceability of the remainder of this Agreement not so deleted provided the fundamental terms of the Agreement are not altered.

* 1. Counterparts

### This Agreement may be executed in one (1) or more counterparts including counterparts transmitted by facsimile, each of which shall be deemed to be an original, but all of which signed and taken together, shall constitute one document.

* 1. No Assignment

Subject to the provisions of this Agreement, this Agreement shall not be assigned by a Party without the prior written approval of all the Parties.

* 1. Costs

Each Party shall bear their own fees and expenses relating to the preparation and execution of this Agreement. Any stamp duty payable on the execution of this Agreement and the costs with respect to the Company’s legal counsel shall also be borne and paid by the Company.

# DISPUTE RESOLUTION

* 1. This Agreement shall be governed in accordance with the laws of India.
  2. If a dispute in relation to this Agreement is not resolved through discussions within thirty (30) Business Days, then such dispute shall be referred at the request in writing of any Party to the dispute to binding arbitration by sole arbitrator in accordance with the Arbitration and Conciliation Act, 1996. The sole arbitrator shall be mutually decided by the disputing Parties. All arbitration proceedings shall be conducted in the English language and the place and seat of arbitration shall be Bangalore, Karnataka, India. Judgement upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.
  3. The costs and expenses of the arbitration, including, without limitation, the fees of the arbitration, shall be borne equally by the Parties to the dispute or claim and each Party shall pay its own fees, disbursements and other charges of its counsel, except as may be determined by the arbitrator. The arbitrator would have the power to award interest on any sum awarded pursuant to the arbitration proceedings and such sum would carry interest, if awarded, until the actual payment of such amounts.

* 1. Subject to applicable Laws, any award made by the arbitrator shall be final and binding.
  2. Subject to arbitration provision above, the Courts at Pune shall have exclusive jurisdiction for matters relating to this Agreement.

***[EXECUTION PAGES FOLLOW]***

**IN WITNESS WHEREOF**, the Parties hereto have duly executed and delivered this Agreement as of the day, month and year above first written.

**For and on behalf of**

**Truevibez Private Limited**

**Name :**

**(Authorised Signatory)**

**Promoter 1:**

**Name : Rajesh Dilip Karandikar**

**Signature:**

**Promoter 2:**

**Name : Prem Lata Dass**

**Signature:**

**New Investor 1**

**Name : Suniel Shetty**

**Signature:**

**SCHEDULE I**

**DETAILS OF NEW INVESTOR**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr No** | **Name of New Investor** | **Address of New Investor** | **Referred to As** | **PAN** |
|  | Suniel Shetty | Veerappa Shetty, residing at 18-B, Prithvi Apartments, Altamount Road, Mumbai 400026 | New Investor No. 1 | AACPS0376D |

**SCHEDULE II**

**AGREED SHAREHOLDING PATTERN**

**Part A: Shareholding Pattern of the Company as on the Effective Date**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S. No** | **Name of Shareholder** | **Number of Shares** | **Type of Shares** | **Shareholding Percentage** |
|  | Mr. Rajesh Dilip Karandikar | 5,500 | Equity Shares | 55% |
|  | Mr. Prem Lata Dass | 4,500 | Equity Shares | 45% |
|  | **Total** | **10,000** |  | **100%** |

**Part B: Shareholding Pattern of the Company as on the Closing Date**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S. No** | **Name of Shareholder** | **Number of Shares** | **Type of Shares** | **Subscription Amount including Premium**  **(in INR)** | **Shareholding Percentage** |
|  | Mr. Rajesh Dilip Karandikar | 5,500 | Equity Shares | NA | 47.85% |
|  | Mr. Prem Lata Dass | 4,500 | Equity Shares | NA | 39.15% |
|  | Mr. Suniel Shetty | 1,494 | Equity Shares | 14,494 | 13.00% |
| **Total** | | 11,494 |  | 14,494 | 13% |

**SCHEDULE III**

**NOTICE**

1. **If to the Company:** 
   1. Name : Truevibez Private Limited
   2. Address : F-203, Anjor Housing Society, 2nd Lane, Veerbhadra Nagar, Baner, Pune, Maharashtra, India, 411045
   3. Email : {•}
2. **If to Promoter 1:**
   1. Name : Rajesh Dilip Karandikar
   2. Address : 3/A, Amrai, Keviz Park, Hindu Colony, Nagala Park, Karvir,Kolhapur - 416003
   3. Email : {•}
3. **If to Promoter 2:**
   1. Name : Prem Lata Dass
   2. Address : B -1001, Aura, Next to Sapphire Park, Near Mitcon, Balewadi, Pune – 411045 India
   3. Email : {•}
4. **If to New Investor 1:**
   1. Name : Mr. Suniel Shetty
   2. Address : 18-B, Prithvi Apartments, Altamount Road, Mumbai 400026
   3. Email : {•}

**SCHEDULE IV**

**DEED OF ADHERENCE**

**THIS DEED OF ADHERENCE** (“**Deed of Adherence**”)is made on the [\_\_\_] day of [\_\_\_], by and between:

1. [\_Name of the transferee\_] to whom shares have been transferred [\_ (the “**Covenanter**”); and
2. [Promoters]
3. [New Investor]
4. AURORAX PRIVATE LIMITED (hereinafter referred to as the “**Company**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its Affiliates, successors-in-interest and permitted assigns).

**WHEREAS:**

A. Promoters, the New Investor and the Company had entered into a Share Subscription and Shareholders’ Agreement dated \_\_\_\_\_ [date] as amended, modified and supplemented from time to time (the “**SSHA**”);

B. The Covenanter is an Affiliate of [relevant Promoter / New Investor] and has been nominated by [the relevant Promoter / New Investor] to subscribe to and/or acquire [ ] shares in the capital of the Company [OR] [relevant Promoter / New Investor] proposes to transfer [\_\_\_\_\_\_] number of shares in the Company held by it to the Covenanter as permitted under the SSHA [OR] the Company proposes to issue to the Covenantor [\_\_\_\_] shares in the capital of the Company ;

C. Promoters and New Investor have agreed to the Covenanter subscribing to and/or acquiring the shares in the Company subject to the condition that the Covenanter executes this Deed of Adherence.

**NOW,** therefore, in consideration of the premises and covenants, this Deed of Adherence witnesses as follows:

1. The Covenanter confirms that it has been supplied with a copy of the SSHA and that it has read and understood the provisions, terms and conditions of the SSHA. The Covenanter hereby covenants with and undertakes to [Promoters/ New Investor and the Company] that with effect from the date when the Covenanter is entered in the register of members of the Company in accordance with the SSHA and the Articles of Association of the Company, the Covenanter will abide by, observe, perform and be bound by all of the provisions, obligations, covenants and undertakings set forth in the SSHA and applicable to [an Affiliate of relevant Promoters / New Investor, who acquires or holds shares in the Company] OR [relevant Promoter/ New Investor viz., the transferor that transfers the shares in the Company to the Covenanter] OR [the Covenantor as if it were a party to the SSHA if the Covenantor has been issued shares in the Company].

2. In the event at any time hereafter the Covenanter intends to cease to be an Affiliate of [the relevant Promoter / New Investor], the Covenanter shall transfer, prior to the Covenanter ceasing to be an Affiliate of [the relevant Promoter / New Investor], all the shares held by the Covenanter in the Company, to [the relevant Promoter / New Investor] of which the Covenanter is an Affiliate or to another Affiliate of [the relevant Promoter / New Investor] nominated by [the relevant Promoter / New Investor] [This will apply only in the case of transfer of shares to Affiliates of Promoters / New Investor].

3. The Covenanter confirms that by becoming the Shareholder in the Company, [it/ he/ she] does not acquire any additional rights that are in excess of the rights that are otherwise available to the [relevant Promoter/ New Investor] OR [as agreed with the Covenantor].

4. Words and expressions used in this Deed of Adherence and not defined in this Deed of Adherence but defined in the SSHA shall have, where the context so permits, the meaning assigned to it in the SSHA.

5. [Promoters / New Investor and the Company agree] and confirm to the Covenanter that from the day its name is entered in the register of members of the Company, they will confer all rights as available to [the relevant Promoter / New Investor] OR [as agreed with the Covenantor] under the SSHA.

6. The Covenanter confirms to and agrees with all the Promoters, New Investor and the Company that, from the date [its/ his/ her] name is entered in the register of members of the Company, [it/ he/ she] shall be bound by all the provisions of the SSHA as applicable to [the relevant Promoter/ New Investor and/or their respective Affiliates] OR [as agreed with the Covenantor] and be bound by all the restrictions (including that relating to transfer of shares in the Company).

7. The Covenanter agrees to be bound by the provisions of the SSHA for resolving any dispute, and for this purpose, (i) if the Covenanter is an Affiliate of a Promoter (or transferee of shares held by a Promoter) and holds part of the shareholding to be held by such Promoter, the Covenanter will not have a separate or independent right to nominate an arbitrator, but agrees to be bound by the decision of the arbitrator in accordance with the provisions of the SSHA; (ii) if the Covenanter is an Affiliate of a Promoter (or transferee of shares held by a Promoter) and holds the entire shareholding to be held by such Promoter, the Covenanter will have all the rights (including the right to appoint an arbitrator along with all other Promoter) as envisaged in the SSHA in relation to resolving a dispute; (iii) if the Covenanter is a transferee of shares held by the New Investor) and holds part of the shareholding held by relevant New Investor, the Covenanter will not have a separate or independent right to nominate an arbitrator, but agrees to be bound by the decision of the arbitrator in accordance with such provisions of the SSHA; (iv) if the Covenanter is a transferee of shares held by a New Investor and holds the entire shareholding held by such New Investor, the Covenanter will have all the rights (including the right to appoint an arbitrator) as envisaged in provisions of the SSHA in relation to resolving a dispute and subject to the other provisions of the SSHA.

Executed as a Deed of Adherence on the day and month first above written.

**For [Covenanter]**

**For [Promoters]**

**For [New Investor]**

**For [Company]**

**SCHEDULE V**

**FORM OF THE CP CONFIRMATION NOTICE**

***(On the Letterhead of the Company)***

[insert date]

To,

[New Investor]

Dear Sir,

We write with reference to the Share Subscription and Shareholders’ Agreement dated [●] entered into among the New Investor, the Company, the Existing Shareholder and the Promoters, (the “**Agreement**”).

Capitalized terms and expressions used in this letter but not defined shall have the same meaning as the Agreement.

This certificate is being issued pursuant to Clause [●] of the Agreement.

Accordingly, we certify as follows:

1. [●]

Regards,

|  |  |
| --- | --- |
| Signed and delivered for and on behalf of the Company  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name:  Title: |  |
| Signed and delivered by Promoters  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |

**SCHEDULE VI-**

**brand endorsement services**

Media Platforms: Print, Radio, TV, Outdoor, Digital, Event, Activation and Print Production

Proposed Association/Engagement

1. Seven Days for Photo, Video, Voice shoot (8 hours each) during the year at the locations decided by management team.
2. B2B events for each city for pre-launch & launch activites upon availability of SS.
3. Right to produce special edition products in the category using the brand image of SS.
4. Right to use SS Name in brand related PR & Media activities
5. Right to run contests around the SS Name upon consultation with SS.
6. Print shoots
7. TVC shoots
8. Radio spot / Jingle voice recording
9. Meet & Greet Sessions with select audience (Buyers)
10. Spend a half day with the Celebrity activation contest winners
11. Product launches, unveiling of new products
12. Corporate events
13. Activation in various regions of India using Celebrity of that specific region

6. Right to create digital video content for promotions

7. Image and shoot rights for innovative content properties like 360-degree posts, GIFs & other content formats that may be available during the period of the agreement (This will need a specific conceptual shoot in addition to regular shots)

8. As and when required, SS shall endorse the brand vide twitter, Instagram and facebook and/or any other social media platform to be determined from post to post basis.

9. This is an endorsement deal and the SS will not be able to endorse other companies and products in the same category as well on such terms as the celebrity deems appropriate.

10. Right to use the entire content up to 30 days after the contract expires.

11. All costs relating to SS travel, transportation, food and accommodation and one additional manager traveling with celebrity will be borne by TRUEVIBEZ

12. Celebrity's extra day/ days pricing can be pro-rata basis

13. Pro-rata cost to be discussed once the deal is confirmed

14. All use of SS’s brand image on any and all platforms to be used only with prior consent of SS. All endorsement by SS shall be after permission from SS.