

SHAREHOLDERS' AGREEMENT

03rd OCTOBER 2019

between

Akums Drugs and Pharmaceuticals Limited
(the "Company")

&

Mr. Sanjeev Jain and Mr. Sandeep Jain
(the "Promoters")

&

Ruby QC Investment Holdings Pte. Ltd.
(the "Investor")



AZB & PARTNERS
ADVOCATES & SOLICITORS

AZB & PARTNERS
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India

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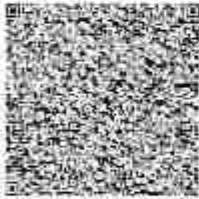
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Purchased by : RUBY QC INVESTMENT HOLDINGS PTE LTD
Description of Document : Article 5 General Agreement
Property Description : SHAREHOLDERS AGREEMENT
Consideration Price (Rs.) : 0
(Zero)
First Party : AKUMS DRUGS AND PHARMACEUTICALS LIMITED AND OTHERS
Second Party : RUBY QC INVESTMENT HOLDINGS PTE LTD
Stamp Duty Paid By : RUBY QC INVESTMENT HOLDINGS PTE LTD
Stamp Duty Amount(Rs.) : 500
(Five Hundred only)



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THIS STAMP PAPER FORMS AN INTEGRAL PART OF THE SHAREHOLDERS' AGREEMENT EXECUTED BY AND BETWEEN AKUMS DRUGS AND PHARMACEUTICALS LIMITED, MR. SANJEEV JAIN, MR. SANDEEP JAIN AND RUBY QC INVESTMENT HOLDINGS PTE. LTD., DATED OCTOBER 3, 2019.

Statutory Alert:

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SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (this "Agreement") is executed on 03rd October, 2019 ("Execution Date") by and amongst:

- (1) **Akums Drugs and Pharmaceuticals Limited**, a public limited company incorporated and existing under the Laws of India and having its registered office at 304 Mohan Place, Saraswati Vihar, Delhi-110034, India (hereinafter referred to as the "**Company**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors-in-interest and permitted assigns) of the **FIRST PART**;
- (2) **Ruby QC Investment Holdings Pte. Ltd.**, a company established under the Laws of Singapore, having its principal office at 11A Stanley Street Singapore, 068730, (hereinafter referred to as "**Quadria**" or the "**Investor**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors-in-interest and permitted assigns) of the **SECOND PART**;
- (3) **Mr. Sanjeev Jain**, an adult Indian citizen, bearing permanent account number AAAPJ1897J and currently residing at E-1052, Saraswati Vihar, Delhi-110034, (hereinafter referred to as the "**Promoter 1**", which expression shall be deemed to include his successors, legal heirs and permitted assigns to the extent provided in this Agreement) of the **THIRD PART**; **AND**
- (4) **Mr. Sandeep Jain**, an adult Indian citizen, bearing permanent account number AAAPJ1891Q and currently residing at Plot No. 22, Sector – 6A, SIDCUL, Haridwar- 249403, (hereinafter referred to as the "**Promoter 2**", which expression shall be , deemed to include his successors, legal heirs and permitted assigns to the extent provided in this Agreement) of the **LAST PART**.

(Promoter 1 and Promoter 2 are hereinafter referred to individually as a "**Promoter**" and collectively referred to as the "**Promoters**", as the context may require.)

(The Investor, the Promoters and the Company shall be individually referred to as a "**Party**" and collectively referred to as the "**Parties**", as the context may require.)

WHEREAS:

- A. The Company is engaged *inter alia* in the business of manufacturing, marketing, trading, importing, exporting, developing, testing and allied activities of pharmaceutical formulations of drugs, ayurvedics, herbals, toiletries, nutraceuticals, food & dietary supplements, derma and cosmetics, healthcare & hospital products, OTC products, active pharmaceutical ingredients, excipients and compounds;
- B. The Company, the Investor, and the Promoters are parties to a share subscription and purchase agreement executed on or about the date of this Agreement (the "**Subscription & Purchase Agreement**"); and
- C. The Parties are desirous of entering into this Agreement to record the *inter-se* rights and obligations agreed to between them in respect of the management and control of the affairs of the Company following the Closing (*as defined below*) and certain rights and obligations, *inter se*, following the Closing, in accordance with the terms and conditions set out herein.

NOW THEREFORE IT IS AGREED BY AND AMONGST THE PARTIES HERETO AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 1.1. In this Agreement, the following terms, to the extent not inconsistent with the context thereof, shall have the meanings assigned to them herein below:
 - (a) "**Act**" shall mean the Companies Act, 2013, and shall include all amendments, modifications and re-enactments of the foregoing;



- (b) **"Affiliate"** of a Person (the **"Subject Person"**) shall mean (i) in the case of any Subject Person other than a natural person any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control with the Subject Person, and (ii) in the case of any Subject Person that is a natural Person, shall include a Relative of such Subject Person and any other Person (other than a natural Person) that such natural Person, directly or indirectly, through one or intermediaries Controls. For the purpose of this definition, in relation to the Investor, an Affiliate shall include any investment fund or special purpose vehicle (including their limited partners) that shares the same investment manager and/ or the same investment advisor (such investment advisor being corporate entities) or any Person which is managed or advised by Quadria Capital Investment Management Pte. Limited;
- (c) **"Affirmative Voting Matter"** shall have the meaning given to the term under Clause 3.19(i);
- (d) **"Akumentis"** means Akumentis Healthcare Limited, a public limited company incorporated and existing under the Laws of India and having its registered office at 209, 2nd Floor, Mohan Place, LSC, C-Block, Saraswati Vihar, Delhi 110034;
- (e) **"Annual Budget"** shall mean the budget for a Financial Year of the Company and its Subsidiaries comprising of sales budget, projected revenue and operating expenditure, cash flow, capital expenditure and key financial ratios;
- (f) **"Articles of Association"** or **"Articles"** shall mean the Articles of Association of the Company, as amended from time to time;
- (g) **"Big Five Firm"** shall mean KPMG, PricewaterhouseCoopers, Ernst & Young, Deloitte Touche Tohmatsu and Grant Thornton and/or their affiliates eligible to practice in India, as per Law;
- (h) **"Board"** or **"Board of Directors"** shall mean the collective body of the Directors of the Company;
- (i) **"Board Meeting"** shall mean a meeting of the Board duly convened in accordance with the Act, the Charter Documents and this Agreement;
- (j) **"Book Value"** in relation to the Investor's shareholding, shall mean the net asset value as per the latest consolidated Financial Statements;
- (k) **"Business"** shall mean the business of manufacturing, marketing, trading, importing, exporting, developing, testing and allied activities of pharmaceutical formulations of drugs, ayurvedics, herbals, toiletries, nutraceuticals, food & dietary supplements, derma and cosmetics, healthcare & hospital products, OTC products, active pharmaceutical ingredients, excipients and compounds and any other business as may be undertaken by the Company and its Subsidiaries, from time to time;
- (l) **"Business Day"** shall mean a day on which scheduled commercial banks are open for business in New Delhi, India, New York and Singapore;
- (m) **"Business Plan"** means the long term business plan of the Company, set out in Schedule 1 of this Agreement, as amended from time to time in accordance with the Annual Budget;
- (n) **"Buy Back Exercise Period"** shall have the meaning given to the term in Clause 8.10(ii);
- (o) **"Buy Back Price"** shall have the meaning given to the term in Clause 8.10(ii);
- (p) **"Buy Back Right"** shall have the meaning given to the term in Clause 8.10(ii);
- (q) **"Buy Back Shares"** shall have the meaning given to the term in Clause 8.10(ii);

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- (r) **"CDMO Business"** means the business of contract development and/ or contract manufacturing of pharmaceutical formulations for marketing companies or for any other company under their respective brand;
- (s) **"Charter Documents"** shall mean collectively the Memorandum and the Articles;
- (t) **"Claims"** shall mean any actual and direct losses, liabilities, claims, damages, charges, actions, payments, suits, proceedings, judgments, settlements, awards, assessments, fines, interest, penalties, costs and expenses (including reasonable and documented (through an invoice or engagement letter or any other similar document) professional fees and expenses) and all related Indian Taxes with respect thereto, imposed on, sustained, incurred or suffered by or asserted against the Investor Director (whether in respect of Third Party claims, claims between the Parties hereto, or otherwise);
- (u) **"Closing"** and **"Closing Date"** shall have the meanings given to the respective terms under the Subscription & Purchase Agreement;
- (v) **"Competitor"** shall mean any Person in the same or similar line of Business as the Company;
- (w) **"Control"** shall mean the power to direct the management or policies of any Person, whether through the ownership of over 50% (Fifty Percent) of the voting power of such Person or through the power to appoint more than half of the board of directors or similar governing body of such entity or through contractual arrangements or otherwise, and **"Controls"** shall be construed accordingly;
- (x) **"Deed of Adherence"** shall mean the deed of adherence, the form of which is attached as **Schedule 2** to this Agreement;
- (y) **"Director"** shall mean a director on the Board;
- (z) **"Drag Along Notice"** shall have the meaning given to the term in Clause 8.11(ii);
- (aa) **"Drag Sale"** shall have the meaning given to the term in Clause 8.11(ii);
- (bb) **"Drag Sale Purchaser"** shall have the meaning given to the term under Clause 8.11(ii);
- (cc) **"E&S Policy"** means the Environment and Social Policy adopted by the Company and its Subsidiaries on the Closing Date in accordance with the terms of the Subscription & Purchase Agreement;
- (dd) **"ESOP"** shall mean the employee stock options of the Company;
- (ee) **"Encumbrance"** shall mean (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law, (ii) any voting agreement, interest, option, pre-emptive right, right of first offer, refusal or transfer restriction in favour of any Person, and (iii) any adverse claim as to title, possession or use and **"Encumber"** shall be construed accordingly;
- (ff) **"Equity Securities"** shall mean equity capital, Equity Shares, membership interests, partnership interests, registered capital, joint venture or other ownership interests of the Company or any options, warrants, or other securities (including preference shares and debentures) that are directly or indirectly convertible into, or exercisable or exchangeable for, such equity capital, equity shares, membership interests, partnership interests, registered capital, joint venture or other ownership interests (whether or not such derivative securities are issued);

- (gg) "Equity Shares" shall mean the equity shares of the Company whether issued or to be issued, having par value of INR 10 (Indian Rupees Ten) per equity share;
- (hh) "Event of Default" shall mean:
- (i) A material breach of or failure to comply by the Company or the Promoters with the following Clauses 3 (*Management of the Company*), 4 (*Shareholders Meetings*), 5 (*Business Exclusivity*), 6 (*Pre-Emptive Rights for New Issues of Equity Securities*), 7 (*Transfer of Equity Securities*), 9 (*Right of Inspection*), 10 (*Information Rights*), 11 (*Liquidation Preference*), 15 (*Financial Accounting and Audits*), 16.5 (*Ethical Practices*), 16.10 (*Compliance with Investor's Environmental, Social and Corporate Governance ("ESG") Requirements*), 16.11 (*Sanctionable Practices*), 16.12 (*FCPA*), 16.13 (*PFIC*), 16.14 (*E&S Policy*), 21 (*Confidentiality*), 24.9 (*Superior Rights*), and 24.15 (*Subsidiary*) which breach or failure, if capable of cure or remedy, has not been cured or remedied within 60 (Sixty) days of the receipt of written notice of such breach or failure from the Investor in this regard, provided however that if the remedy or cure of such breach requires a positive action or consent by the Investor in accordance with the terms of this Agreement, the failure of the Investor to perform such action or provide such consent as per the terms of this Agreement shall not be deemed to be a failure by the Company or the Promoters to rectify such breach;
 - (ii) A breach or failure to comply by the Company or the Promoters with the following Clauses 16.1 (*Compliance with Law*), 16.2 (*Insurance*), 16.3 (*Good Industry Practice*), 16.6 (*Filings*), 16.7 (*Tax Covenants*), 16.15 (*Related Party Transactions*), 17 (*Intellectual Property Rights*) and 20.1 (*Covenant of the Promoter*) which breach or failure causes a Material Adverse Effect and if capable of cure or remedy, has not been cured or remedied within 60 (Sixty) days of the receipt of written notice of such breach or failure from the Investor in this regard;
 - (iii) Failure by the Company or the Promoters to provide an exit to the Investor, owing to any deliberate, act or omission, by the Company or the Promoters to frustrate the exit rights of the Investor under Clause 8; or
 - (iv) Any fraud committed by the Promoter(s) which affects the Business.
- (ii) "Excluded IP Rights" shall mean the trade marks, trade names, brands and copyrights owned by the Company but not used by the Company and/or its Subsidiaries in relation to its business;
- (jj) "Executive Committee" means the executive committee of the Board constituted on the Closing Date in accordance with the Subscription & Purchase Agreement, the functions of which are as set out in Schedule 3 hereto;
- (kk) "Exercise Notice" shall have the meaning given to the term under Clause 6.2;
- (ll) "Exit Default Rights" shall mean the exit rights of the Investor as set out under Clauses 8.10 and 8.11;
- (mm) "Exit Notice" shall have the meaning given to the term under Clause 8.10;
- (nn) "Exit Period 1" shall have the meaning given to the term under Clause 8.1;
- (oo) "Exit Period 2" shall have the meaning given to the term under Clause 8.9;
- (pp) "Exit Price" shall mean a price which is the higher of the Book Value or the FMV of each of the Equity Securities held by the Investor;
- (qq) "FCPA" shall mean the Foreign Corrupt Practices Act, 1977;

- (rr) **"Financial Statements"** shall mean the audited financial statements comprising an cash flow statement, balance sheet, and capitalization table of the Company and its Subsidiaries as of the relevant Financial Year end (on a consolidated and unconsolidated basis) and the related audited statement of income for the Financial Year then ended, together with the auditor's report thereon and notes thereto prepared in accordance with applicable Laws;
- (ss) **"Financial Year"** shall mean the period commencing from April 1 of each calendar year and ending on March 31 of the immediately succeeding calendar year;
- (tt) **"FMV"** with respect to Equity Securities, shall mean the valuation of such Equity Securities computed in accordance with Clause 8.14;
- (uu) **"FMV Computation Date"** shall have the meaning given to the term under Clause 8.14(ii);
- (vv) **"Fully Diluted Basis"** shall mean that calculation is to be made assuming that all outstanding Equity Securities (whether or not by their terms then currently convertible, exercisable or exchangeable) whether or not due to the occurrence of an event or otherwise, have been converted, exercised or exchanged into the maximum number of Equity Shares issuable upon such conversion, exercise and exchange, as the case may be *and it is clarified that* all authorised options under the ESOP shall be included for the aforesaid calculation irrespective of whether or not they have been issued, granted, vested, or exercised;
- (ww) **"Government"** or **"Governmental Authority"** means any national, supranational, regional or local government or governmental, statutory, regulatory, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity, or central bank (or any Person, whether or not government owned and howsoever constituted or called, that exercises the functions of a central bank);
- (xx) **"Greater Preliminary Valuation"** shall have the meaning given to the term under Clause 8.14(iv);
- (yy) **"Immediate Family Members"** shall mean when used with respect to a Promoter such Promoters' father, mother, brother, spouse and Offspring;
- (zz) **"Independent Valuer"** shall have the meaning given to the term under Clause 8.14(i);
- (aaa) **"Indian Tax"** shall mean applicable Taxes in the Republic of India (without reference to any other country or jurisdictions' Taxes);
- (bbb) **"Information"** shall have the meaning given to the term under Clause 21.1;
- (ccc) **"INR"** or **"Rupees"** or **"Rs."** shall mean Indian rupees, being the lawful currency of the Republic of India;
- (ddd) **"Investor Director"** shall have the meaning given to the term under Clause 3.2(i);
- (eee) **"Investor Transferee(s)"** shall have the meaning given to the term under Clause 7.4;
- (fff) **"Investor Valuer"** shall have the meaning given to the term under Clause 8.14(i);
- (ggg) **"IPO"** shall mean the initial public offering of Equity Shares or other Equity Securities (including depository receipts), either domestic or overseas, of the Company and consequent listing of the Equity Securities of the Company in stock exchanges, domestic or overseas and would include a Qualified IPO;



- (hhh) **"IP Rights"** shall mean all rights in and in relation to all intellectual property rights subsisting in the products, processes, etc. manufactured, developed, being developed and/or proposed to be developed by the Company, including all patents, patent applications, moral rights, trademarks, trade names, service marks, service names, brand names, internet domain names and sub-domains, inventions, processes, formulae, copyrights, business and product names, logos, slogans, trade secrets, industrial models, designs, methodologies, technical information, manufacturing, engineering and technical drawings, know-how, all pending applications for and registrations of patents, entity models, trademarks, service marks, copyrights, designs and internet domain names and sub-domains and all other intellectual property or similar proprietary rights of whatever nature (whether registered or not and including applications to register or rights to apply for registration) in each case anywhere in the world; which belongs to the Company and/or its Subsidiaries and are used by them, and expressly excludes the Excluded IP Rights;
- (iii) **"Issuance Notice"** shall have the meaning given to the term under Clause 6.1;
- (jjj) **"Issuance Price"** shall have the meaning given to the term under Clause 6.1;
- (kkk) **"Issuance Shares"** shall have the meaning given to the term under Clause 6.1;
- (lll) **"Law"** or **"Laws"** shall mean and include all applicable statutes, enactments, acts of legislature or the Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, tribunal, board, court or a recognised stock exchange of India or of a foreign country or entity or organization having a right over such matters;
- (mmm) **"Lesser Preliminary Valuation"** shall have the meaning given to the term under Clause 8.14(iv);
- (nnn) **"Liquidity Event"** shall mean the receipt of proceeds by the Company on account of its winding up (voluntary or involuntary) or its liquidation;
- (ooo) **"Material Adverse Effect"** shall mean an event, occurrence, fact, condition, change, development or effect (including any litigation, proceedings or action of any Governmental Authority) that, individually or in the aggregate:
- (i) has or is reasonably expected to have an adverse effect on the Business, operations, properties, assets, financial condition, liabilities, obligations, revenues, profits of the Company and/or its Subsidiaries by an amount equal to or greater than 10% (ten per cent) of the Net Block; or
 - (ii) results in or is reasonably expected to result in the termination of any Material Contract (*as defined in the Subscription & Purchase Agreement*) (including receiving a notice of termination from the counterparty to such Material Contract); or
 - (iii) which causes or has caused or is reasonably expected to cause significant disruption, stoppage and/or damage to the manufacturing operations and / or facilities of the Company and/or its Subsidiaries; or
 - (iv) effects the validity or enforceability of the Transaction Documents;
 - (v) results or is reasonably expected to result in a material impairment to the ability of the Company and/or the Promoter and/or a Selling Shareholder, as the case may be, to perform their respective obligations under the Transaction;



- (ppp) **"Memorandum of Association"** or **"Memorandum"** shall mean the Memorandum of Association of the Company, as amended from time to time;
- (qqq) **"Net Block"** shall mean depreciated value of all assets of the Company and its Subsidiaries, on a consolidated basis, as reflected in the Accounts;
- (rrr) **"Nominated Person"** shall have the meaning ascribed to such term in Clause 6.4;
- (sss) **"Offer of Existing Securities"** shall have the meaning given to the term under Clause 8.1(i)(II);
- (ttt) **"Offered Terms"** shall have the meaning given to the term under Clause 6.1;
- (uuu) **"Offspring"** shall mean any lineal descendant of any of the Promoters;
- (vvv) **"Party"** or **"Parties"** shall mean parties to this Agreement;
- (www) **"PCA"** shall mean the Prevention of Corruption Act, 1988;
- (xxx) **"Permitted Entities"** shall mean the entities listed in Schedule 4;
- (yyy) **"Permitted Transferee"** shall have the meaning given to the term under Clause 7.5.1(a);
- (zzz) **"Person"** shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable Law;
- (aaaa) **"Pre-emptive Right"** shall have the meaning given to the term under Clause 6.1;
- (bbbb) **"Preliminary Valuation"** shall have the meaning given to the term under Clause 8.14(ii);
- (cccc) **"Preliminary Valuation Report"** shall have the meaning given to the term under Clause 8.14(ii);
- (dddd) **"Promoter Valuer"** shall have the meaning given to the term under Clause 8.14(i);
- (eeee) **"Proposed Issuance"** shall have the meaning given to the term under Clause 6.1;
- (ffff) **"Qualified IPO"** shall mean an IPO (i) which is undertaken within a period of 48 (forty eight) months from the Closing Date; and (ii) in which the offering price per Equity Share is at least equal to the Exit Price;
- (gggg) **"Relative"** shall mean a 'relative' as defined under Section 2(77) of the Act;
- (hhhh) **"Restricted Entities"** with respect to a Promoter shall mean: (a) the Immediate Family Members of such Promoter; and (b) any other Person (other than a natural Person) that such Promoter or such Promoters' Immediate Family Member, directly or indirectly, through one or more intermediaries Controls;
- (iiii) **"ROFO Acceptance Notice"** shall have the meaning given to the term under Clause 8.11(i)(b);
- (jjjj) **"ROFO Notice"** shall have the meaning given to the term under Clause 8.11(i)(a);
- (kkkk) **"ROFO Price"** shall have the meaning given to the term under Clause 8.11(i)(b);
- (llll) **"ROFO Right"** shall have the meaning given to the term under Clause 8.11(i);
- (mmmm) **"ROFO Shares"** shall have the meaning given to the term under Clause 8.11(i);
- (nnnn) **"ROFO Terms"** shall have the meaning given to the term under Clause 8.11(i)(b);

- (oooo) "ROFR Exercise Notice" shall have the meaning given to the term under Clause 7.2(b);
- (pppp) "ROFR Notice" shall have the meaning given to the term under Clause 7.2(a);
- (qqqq) "ROFR Period" shall have the meaning given to the term under Clause 7.2(b);
- (rrrr) "ROFR Price" shall have the meaning given to the term under Clause 7.2(a);
- (ssss) "Sanctionable Practice" means any Corrupt Practice, Fraudulent Practice, Coercive Practice, Collusive Practice, or Obstructive Practice, as those terms are defined herein and interpreted in accordance with the anti-corruption guidelines attached to this Agreement as Exhibit 2 (*Anti-Corruption Guidelines*);
- (tttt) "Sarvagunaushdhi" means Sarvagunaushdhi Private Limited, a private limited company incorporated and existing under the Laws of India and having its registered office at 13th Floor, Pearl Best Height-1, Netaji Subhash Place, Pitampura, Delhi 110034;
- (uuuu) "SEBI" shall mean the Securities and Exchange Board of India;
- (vvvv) "Share Capital" shall mean the total paid up share capital of the Company determined on a Fully Diluted Basis;
- (wwww) "Shareholder(s)" shall mean the shareholders, from time to time, of the Company;
- (xxxx) "Subsidiary" with respect to any Person shall have the meaning ascribed to the term under the Act;
- (yyyy) "Subscription & Purchase Agreement" shall have the meaning ascribed to the term in Recital B;
- (zzzz) "Tag Along Exercise Notice" shall have the meaning given to the term under Clause 7.3(b);
- (aaaa) "Tag Along Right" shall have the meaning given to the term under Clause 7.3(a);
- (bbbb) "Tag Along Shares" shall have the meaning given to the term under Clause 7.3(b);
- (cccc) "Tax", "Taxes" or "Taxation" shall mean any and all form of direct and indirect taxes with reference to income, profits, gains, net wealth, asset values, turnover, gross receipts including but not limited to all duties (including stamp duties), excise, customs, service tax, goods and sales tax, charges, fees, levies or other similar assessments by or payable to a Governmental Authority (including its agent and persons acting under its authority), including without limitation in relation to (i) income, manufacture, import, export, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, expenditure, procurement, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll, fringe benefits and franchise taxes and (ii) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings, contest, or dispute in respect thereof;
- (dddd) "Third Valuer" shall have the meaning given to the term under Clause 8.14(v);
- (eeee) "Transaction Documents" shall mean the following:
- (i) this Agreement;
 - (ii) the Subscription & Purchase Agreement;
 - (iii) any other documents designated as a Transaction Document mutually by the Parties;

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- (ffff) **"Transfer"** (including with correlative meaning, the terms **"Transferred by"** and **"Transferability"**) shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily;
- (ggggg) **"Transfer Shares"** shall have the meaning given to the term under Clause 7.2(a);
- (hhhhh) **"Transferring Shareholder"** shall have the meaning given to the term under Clause 7.2;
- (iiii) **"Third Party"** shall mean any Person other than the Parties to this Agreement;
- (jjjj) **"UKBA"** shall mean the U.K. Bribery Act, 2010; and
- (kkkkk) **"Unpurchased Securities"** shall have the meaning given to the term in Clause 6.3.

1.2. Interpretation: Unless the context of this Agreement otherwise requires:

- (a) Words denoting any gender shall be deemed to include all other genders;
- (b) Words importing the singular shall include the plural and vice versa, where the context so requires;
- (c) The terms "hereof", "herein", "hereby", "hereto" and other derivatives or similar words, refer to this entire Agreement or specified Clauses of this Agreement, as the case may be;
- (d) Reference to the term "Clause" or "Schedule" shall be a reference to the specified Clause or Schedule of this Agreement;
- (e) Any reference to "writing" includes printing, typing, lithography and other means of reproducing words in a permanent visible form;
- (f) The term "directly or indirectly" means directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and "direct or indirect" shall have correlative meanings;
- (g) All headings and sub-headings of Clauses and Schedules, and use of bold typeface are for convenience only and shall not affect the construction or interpretation of any provision of this Agreement;
- (h) Reference to any legislation or Law or to any provision thereof shall include references to any such Law as it may, after the effective date of this Agreement (as mentioned in Clause 2), from time to time, be amended, supplemented or re-enacted, and any reference to statutory provision shall include any subordinate legislation made from time to time under that provision;
- (i) Reference to the word "include" or "including" shall be construed without limitation;
- (j) The Schedules hereto shall constitute an integral part of this Agreement;
- (k) Terms defined in this Agreement shall include their correlative terms;
- (l) Time is of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of essence;
- (m) The Parties acknowledge that they and their respective counsel have read and understood the terms of this Agreement and have participated equally in the negotiation and drafting. Accordingly, no court or arbitrator construing this Agreement shall construe it more stringently against one Party than against the other;

- (n) The terms referred to but not defined in this Agreement shall, unless defined otherwise or unless inconsistent with the context or meaning thereof, have the same meaning as defined under the Subscription & Purchase Agreement;
- (o) All references to this Agreement or any other Transaction Document shall be deemed to include any amendments or modifications to this Agreement or the relevant Transaction Document, as the case may be, from time to time;
- (p) Any word or phrase defined in the recitals or in the body of this Agreement as opposed to being defined in Clause 1.1 shall have the meaning so assigned to it, unless the contrary is expressly stated or the contrary clearly appears from the context;
- (q) If any provision in Clause 1.1 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 in the body of this Agreement;
- (r) Any reference to "satisfactory to the Investor", "acceptable to the Investor" and phrases of similar import mean the occurrence of the relevant event or circumstance or fulfillment of the relevant condition to the reasonable satisfaction of the Investor; and
- (s) Unless stated otherwise, any and all rights available to the Investor in the Company under this Agreement shall, *mutatis mutandis*, be available to the Investor in the Company's (present or future) Subsidiaries (subject to the applicable Law), and the Company and the Promoters shall take all requisite steps to procure the same provided that if for reasons beyond the control of the Company, such rights cannot be replicated in a Subsidiary, then the Company shall procure to the extent practicable, that the rights available to the Investor in the Company under this Agreement contained herein are most nearly reflected in such Subsidiary.

2. EFFECTIVE DATE

- 2.1. This Agreement shall be effective from the Closing Date, except Clause 16.16 of the Agreement, which shall become effective from the Execution Date.

3. MANAGEMENT OF THE COMPANY

- 3.1. Directors: The Company shall be managed by the Board of Directors who shall have powers to do all acts and take all actions that the Company is authorized to do; subject to those matters that are statutorily required under the Act to be approved by the Shareholders being referred for approval by the Shareholders.

3.2. Board of Directors

- (i) The maximum number of Directors on the Board shall be as per applicable Law. On the Closing Date, the Board shall be composed of not more than 9 (nine) Directors including Directors nominated by the Promoters and independent directors as per applicable Law and the Investor shall have the right to nominate 1 (One) Director ("**Investor Director**"), in the manner laid down in this Clause 3.
- (ii) The Investor shall be entitled to nominate such numbers of Directors on the Board of the Company as is *pro rata* to its shareholding in the Company (on a Fully Diluted Basis and rounded off to the nearest whole number). Provided that the right of the Investor to nominate a Director on the Board shall continue as long as the Investor holds at least 5% (Five Percent) of the Share Capital.

- (iii) In the event that the shareholding of the Company changes in accordance with the provisions of this Agreement, the Board shall be reconstituted accordingly (if required).

3.3. Appointment, Removal and Replacement:

- (i) The Shareholders and the Board shall procure that each appointment, removal or replacement of the Director appointed by it in terms of Clause 3.2 above is implemented without delay and where necessary, meetings of the Shareholders of the Company, or the Board Meetings, as applicable, are convened for this purpose. Each Investor Director shall immediately upon his appointment execute appropriate confidentiality and non-disclosure agreements with the Company, in a form and manner agreed with the Investor and the Investor Director's obligations under such agreement shall be subject to the obligations of the Investor Director in his/her capacity of being a nominee director appointed by the Investor.
- (ii) The Investor may require the removal of the Investor Director at any time, and may at any time nominate another individual in place of a removed Investor Director, and all Shareholders shall exercise their rights to ensure the removal and appointment of the Investor Director as aforesaid. No Person other than the Investor shall be permitted to remove or replace at any time and for any reason any Investor Director.
- (iii) In the event of resignation, retirement or vacation of office of any Investor Director due to any reason, the Investor shall be entitled to appoint another person as a nominee in place of such Investor Director and all Shareholders shall exercise their rights to ensure the appointment of the individual nominated for appointment as the Investor Director as aforesaid.

3.4. No Qualification Shares: The Directors need not hold any qualification shares.

3.5. Casual Vacancies: If any Director (other than the Investor Director which shall be subject to Clause 3.3 above) resigns, vacates or is removed from office before his term expires, the Directors may fill up a casual vacancy and such Director shall hold office until the original term of the Director. Alternatively, the Directors may not fill up a casual vacancy. The Directors may then co-opt another Director, who shall hold office until the next annual general meeting of the Company, unless appointed by the Shareholders.

3.6. Proceedings of Board: The Board shall hold meetings, approve decisions or pass resolutions and grant consents in accordance with the procedures set out in this Clause 3 and applicable Laws.

3.7. Number of Board Meetings and Venue:

- (i) The Board shall meet at least 4 (Four) times in every calendar year; *provided that* the interval between 2 (Two) Board Meetings shall not exceed 120 (One Hundred Twenty) days. Board Meetings shall be held at such place, within or outside India, as may be mutually decided by the Promoters and the Investor, from time to time.
- (ii) Subject to applicable Laws, all reasonable domestic expenses and costs incurred for such Board Meetings held in India shall be borne by the Company.

3.8. Convening Board Meetings: Any Director may, and the secretary of the Company, if so appointed, shall, on the requisition of a Director, or for compliance of Clause 3.7 (i) summon a Board Meeting, in accordance with the notice and other requirements set out in Clause 3.9 and 3.10 below.



- 3.9. Notice for Board Meetings: At least 7 (Seven) days' prior written notice shall be given to each of the Directors of any Board Meeting, in the manner prescribed under the Law. A Board Meeting may be held at shorter notice with the written consent of a majority of the Directors, including the Investor Director(s).
- 3.10. Contents of Notice: Every notice convening a Board Meeting shall be in accordance with the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 and shall set forth in full and sufficient detail each item of the business to be transacted thereat. Further, other item(s) may be discussed with the permission of the Chairman. Further, it is hereby clarified that such additional item(s) shall be discussed at the meeting or added to the addendum agenda only with the consent of the Investor Director present at the meeting. In the event the Investor Director is not present at such meeting wherein the additional items are proposed to be discussed, and any resolution is passed on such items, the Investor Director shall have the right to object to such resolution, forming part of the draft minutes circulated to the Directors and such resolutions, if passed or any action pursuant to such resolution is taken without the consent of the Investor Director, then such resolution/action shall be void *ab initio*.
- 3.11. Quorum for the Board Meetings
- (i) The quorum for a Board Meeting shall be as required under the Act. No Affirmative Voting Matter shall be transacted or voted at a Board Meeting without the consent of the Investor Director/Investor in accordance with Clause 3.19.
 - (ii) If a quorum (as required under this Clause 3.11(i)) is not present at a Board Meeting within half an hour of the time appointed for a properly convened meeting, the meeting shall be adjourned as set out under the Act.
 - (iii) If a quorum is not present at such adjourned Board Meeting, the Directors present shall, subject to the provisions of the Act, constitute a quorum, provided that no Affirmative Voting Matter shall be transacted or voted upon at such adjourned Board Meeting save with the consent of the Investor Director/Investor in accordance with Clause 3.19.
- 3.12. Committees of the Board
- (i) The Board may constitute such committee(s) of the Board in accordance with applicable Law and delegate such powers and functions (in accordance with the provisions of the Act) as the Board may decide from time to time.
 - (ii) In addition to the above, the Board shall also constitute an Executive Committee on the Closing Date, the functions of which shall be as are set out in **Schedule 3**.
 - (iii) The composition of any such committee(s) shall be in proportion to the representation of the Parties on the Board as provided in Clauses 3.2 (i) and 3.2 (ii) above.
 - (iv) The provisions relating to the proceedings of Board Meetings contained herein shall apply *mutatis mutandis* to the proceedings of the meetings of any committees of the Board.
- 3.13. Telephonic/Video Participation: The Directors may participate and vote in the Board Meetings by telephone or video conferencing or any other means of contemporaneous communication, in the manner permitted under Laws. Notwithstanding the aforesaid, it is clarified that no Affirmative Voting Matter shall be transacted or voted at a Board meeting without the consent of the Investor Director/Investor in accordance with Clause 3.19.

- 3.14. Circular Resolutions: The Board may act by written resolution, or in any other legally permissible manner, on any matter, except in respect of matters which by Law may only be acted upon at a meeting. Subject to any restrictions imposed by Law, no written resolution shall be deemed to have been duly adopted by the Board, unless such written resolution shall have been approved by the requisite majority of the Directors under Law and as provided in various provisions in this Agreement, subject to compliance with Clause 3.19.
- 3.15. Chairman: In the event there is no permanent Chairman appointed by the Company or the chairman is absent or fails to serve as presiding officer at any Board meeting, any one of the Directors present at such meeting may be elected to be chairman of such meeting. It is hereby clarified that the Chairman shall not have a casting vote on any Affirmative Voting Matters and Affirmative Voting Matters shall require the consent of the Investor Director/Investor in accordance with Clause 3.19.
- 3.16. Alternate Directors: Any Director appointed to the Board and going out of India for a period of 3 (three) months or more, such Director shall be entitled to nominate an alternate Director to attend and vote at meetings of the Board in his absence until he comes back to India. Appointment of such alternate Director shall be approved by the Board in accordance with the provisions of the Act.
- 3.17. Decisions of the Board: Except as otherwise required by the relevant Laws and except for decisions in connection with Affirmative Voting Matters, all decisions of the Board shall be made by simple majority. At each Board Meeting, each Director attending that meeting (or represented by an alternate Director) shall have one vote.
- 3.18. Liability of Investor Director:
- (i) The Promoters and the Company expressly agree that the Investor Director shall be non-executive Director.
 - (ii) Subject to applicable Law, the Company shall indemnify the Investor Director against any act, omission or conduct (including, contravention of any Law) of or by the Company, its officials, employees, managers, representatives or agents, or the Shareholders, as a result of which, in whole or in part, any Investor Director is made party to, or otherwise incurs any Claims, including a loss pursuant to or in connection with any Claim arising out of or relating to any such act, omission or conduct or any act or omission by the Investor Director at the request of or with the consent of the Company, its officials, employees, managers, representatives or agents or on account of any Investor Director being construed or deemed as an "occupier" or "officer in charge" under any Laws. Nothing herein Clause shall prejudice the Company's ability to make Claims under relevant insurance policies that the Company has procured.
- 3.19. Affirmative Voting Matters
- (i) Notwithstanding any other provision of this Agreement or any power conferred upon the Board by this Agreement, the Act or the Articles, neither the Company, nor any Director, committee member, or any of their respective delegates shall, without the affirmative written consent or written approval of the Investor (or deemed consent/approval in accordance with Clause 3.19(ii)), take any decisions or actions in relation to any of the matters set forth in **Schedule 5 ("Affirmative Voting Matter")**, whether in any Board Meeting, meeting of a committee of Directors, general meeting, through any resolutions by circulation or otherwise, with respect to the Company in accordance with this Clause. In the event the Investor Director/ representative is not present at the meeting of the Board, committee or Shareholders (as applicable) where

an Affirmative Voting Matter is being discussed, the Investor shall be required to provide its affirmative written consent or approval or rejection in respect of an Affirmative Voting Matter within 15 (fifteen) days of receipt of the notice by the Investor from the Company seeking consent. For the avoidance of doubt it is clarified that a failure by an Investor to respond within the time line stipulated in this sub-clause 3.19(i) to the Company's request on any of the Affirmative Voting Matters shall be deemed to be a rejection/ refusal by the Investor of its consent for the Affirmative Voting Matters for which its consent is sought by the Company.

- (ii) Further, in the event Investor Director/representative of the Investor is attending such meeting, the Investor Director/representative of the Investor may provide assent or dissent to the Affirmative Voting Matter or even postpone the matter, however a decision on such Affirmative Voting Matter shall be taken only after a written consent/ response from the Investor within 5 (five) Business Days from the date of the meeting. For the avoidance of doubt it is clarified that a failure by an Investor to respond within the time line stipulated in this sub-clause 3.19(ii) on any of the Affirmative Voting Matters shall be deemed to be a confirmation by the Investor of the decision taken by the Investor Director in connection with the Affirmative Vote Matter for which its consent is sought by the Company.
- (iii) The Parties hereby agree that the Investor shall continue to have the rights under this Clause 3.19 so long as the Investor holds at least 5% (Five Percent) of the Share Capital.
- (iv) Notwithstanding anything to the contrary contained in this Agreement or the Articles of Association, in case of any dilution or reduction of the shareholding of the Investor in the Company pursuant to the exercise of any of the exit options by the Investor under Clause 8 wherein the Company and the Promoters are unable to provide a complete exit to the Investor in a single tranche, , the rights of the Investor under this Clause 3.19 and Clause 3.2 shall continue to apply as if no such dilution or reduction has occurred and any reference in this Agreement or the Articles of Association to such minimum shareholding threshold shall be deemed to be proportionately adjusted to take into account and negate the effect and impact of such dilution or reduction, save and except if the Investor has elected not to participate in the exit event in accordance with the Agreement or where the Company and the Promoters provide a complete exit to the Investor in a single tranche and the Investor has elected to only sell a part of the Equity Securities held by it, then the Investor's shareholding shall be deemed to diluted for determining its rights that are linked to minimum shareholding provided for in this Agreement.
- (v) The Parties agree that the principles set out in this Clause 3.19 are fundamental to the governance of the Company and each Party undertakes not to commit any act or omission that would violate this Clause 3.19.
- (vi) If any other provision of this Agreement conflicts with the provisions of this Clause 3.19, the provisions of this Clause 3.19 shall prevail and be given effect.
- (vii) Notwithstanding anything to the contrary contained in this Agreement or the Articles of Association, if the Company is required to take an action (which is an Affirmative Voting Matter) pursuant to a requirement of applicable Law and the Investor does not provide its consent for such action, then the Company shall not be liable for breach of its obligations to comply with such applicable Law under this Agreement.

4. SHAREHOLDERS MEETINGS

- 4.1. General Meetings: An annual general meeting of the Shareholders shall be held as per the provisions of the Act. Subject to the foregoing, the Board, on its own or at the request of the Investor, may convene an extraordinary general meeting of the Shareholders, whenever it may deem appropriate.
- 4.2. Notices for General Meetings: At least 21 (twenty one) days' prior written notice of every annual general meeting of the Company shall be given to all the Shareholders whose names appear on the register of members of the Company, Directors, and the auditors of the Company. A meeting of the Shareholders may be called by giving shorter notice with the consent (written or through electronic mode) of the minimum number of Shareholders as provided under the Act, provided however that the Shareholders consenting to the shorter notice includes the Investor.
- 4.3. Contents of Notice: The notice shall specify the place, date, day and time of the meeting. Every notice convening a meeting of the Shareholders shall set forth in full and sufficient detail the business as required under applicable Law to be transacted thereat, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting.
- 4.4. Chairman for General Meeting
- (i) The chairman of the Board shall be the chairman for all general meetings. In case Chairman is not present within 30 (thirty) minutes of the schedule time of the meeting or he/ she is not willing to act as a Chairman, then any other director may be appointed as Chairman; and in case no director is present or the director(s) present are unwilling to act as Chairman, one of the shareholders may be elected as Chairman. It is hereby clarified that the Chairman shall not have a casting vote on any Affirmative Voting Matters and such Affirmative Voting Matters shall require the consent of the Investor in accordance with Clause 3.19.
- (ii) English or Hindi shall be the language used at all Shareholder meetings and non-English/ non-Hindi speaking Shareholders shall be required to express themselves through interpreters who have entered into confidentiality agreements with the Company.
- 4.5. Proxies and Authorised Representatives: Any Shareholder may appoint another Person as his proxy (and in case of a corporate shareholder, its authorized representative) to attend a meeting and vote thereat on such Shareholder's behalf, provided that the power given to such proxy or representative must be in writing. Any Person possessing a proxy or other such written authorization with respect to any Equity Shares shall be able to vote on such Equity Shares and participate in meetings as if such Person were a Shareholder, subject to applicable Law.
- 4.6. Quorum for General Meetings: The quorum for a general meeting shall be in accordance with the Act.
- 4.7. Adjourned meeting: If a valid quorum as set out in Clause 4.6 is not present within 30 (thirty) minutes of the scheduled time for any meeting of the Shareholders or ceases to exist at any time during such meeting, then in that event the non-quorate shareholders' meeting shall automatically stand adjourned to the same day and time in the next succeeding week and shall have the same agenda as the non-quorate shareholders' meeting and nothing further as regards the agenda. The shareholders present at such adjourned meeting shall constitute quorum, subject to and in accordance with applicable Law.



- 4.8. Decision Making: Decision at a general meeting shall be taken as per the provisions of the Act.
- 4.9. Electronic Participation: The Shareholders may participate and vote in general meetings by telephone or video conferencing or any other means of contemporaneous communication, in the manner permitted under Law.
- 4.10. No Affirmative Voting Matter shall be transacted or voted or taken up at a general meeting unless the same has been approved at a Board Meeting in accordance with Clause 3.19.

5. BUSINESS EXCLUSIVITY

- 5.1. In consideration of the Investor investing, through the Equity Securities, in the Company, each of the Promoters agree that they and any person that such Promoter directly or indirectly Controls, shall not, as long as any Promoter (or such Controlled entities) holds any Equity Securities in the Company, except on behalf of the Company:
- (i) set up, solicit business on behalf of, render any services to, advise, engage in, guarantee any obligations of, extend credit to, or have any ownership interests or other affiliation in, any business or other endeavour, (whether directly or indirectly);
 - (ii) assume management, or directorship or lead responsibility in any business without obtaining the prior written approval of the Investor, except for holding directorships in the Permitted Entities;
 - (iii) solicit, render services to or for, or accept from, anyone who is a client, customer, or a supplier of the Company as at the date of such determination, any business of the type performed by the Company, or persuade or attempt in any manner to persuade any client, customer, or supplier of the Company as at the date of such determination to cease to do business or to reduce the amount of business which any such client, customer, or supplier has customarily done or is reasonably expected to do with the Company, whether or not the relationship between the Company and such client, customer, or supplier as the case may be, was originally established, in whole or in part, through the Promoters' efforts;
 - (iv) employ as an employee or retain as a consultant any Person (including individual, firm, corporation or other form of entity) who is then or at any time during the 6 (Six) months period prior to the date of the purported solicitation was, an employee of or exclusive consultant to the Company, or persuade or attempt to persuade any employee of, or exclusive consultant to, the Company, to leave the employment of the Company or to become employed as an employee or retained as a consultant by any other Person.

The restriction in Clause 5.1 shall not apply to Permitted Entities or the Immediate Family Members.

- 5.2. In consideration of the Investor investing, through the Equity Securities, in the Company, each of the Promoters agree that their respective Restricted Entities, or any Permitted Entity shall not, directly or indirectly, as long as any Promoter (or any Promoter Controlled entity) holds any Equity Securities in the Company, except on behalf of the Company:
- (i) set up, operate, engage in, or have any ownership interests or other affiliation in, any business or other endeavour, (whether directly or indirectly) that is the same or similar to the Business;
 - (ii) assume management, or directorship or lead responsibility in any business that is the same or similar to the Business without obtaining the prior written approval of the Investor, except in the Permitted Entities;

- (iii) solicit, render services to or for, or accept from, anyone who is a client, customer, or a supplier of the Company as at the date of such determination, any business of the type performed by the Company, or persuade or attempt in any manner to persuade any client, customer, or supplier of the Company as at the date of such determination to cease to do business or to reduce the amount of business which any such client, customer, or supplier has customarily done or is reasonably expected to do with the Company;
 - (iv) employ as an employee or retain as a consultant any Person (including individual, firm, corporation or other form of entity) who is then or at any time during the 6 (Six) months period prior to the date of the purported solicitation was, an employee of or exclusive consultant to the Company, or persuade or attempt to persuade any employee of, or exclusive consultant to, the Company, to leave the employment of the Company or to become employed as an employee or retained as a consultant by any other Person.
- 5.3. It is agreed that the restrictions under Clause 5 shall not apply to Sarvagunaushdhi and Akumentis, except that Sarvagunaushdhi shall not, directly or indirectly, in any manner whatsoever including, own, engage in or operate the CDMO Business.
- 5.4. **Commitment to Business**
- (i) The Promoters shall devote nearly all of their reasonable time, energy and efforts to the activities of the Company and the promotion of the Business.
 - (ii) The Promoters and the Company undertake that, except with the prior written consent of the Investor, all new projects and businesses relating to the Business, as developed or sourced by, or offered to, procured by them, shall only be undertaken by the Company, and not through any other Affiliate of the Promoters or the Company.
 - (iii) The Promoters shall ensure that all opportunities for new projects and businesses relating to the Business that are developed or sourced by, or offered to, the Promoters shall be referred exclusively to the Company.
- 5.5. For the purposes of this Clause 5, the term 'Restricted Entities' shall not include any Offspring (and any Restricted Entities Controlled by such Offspring), save and except in the event and so long as, such Offspring holds any managerial/executive position in the Company or is a member on the Board (or attends the meeting of the Board in any capacity), in which case the restrictions under Clause 5 shall also apply with respect to such Offspring (and any Restricted Entities Controlled by such Offspring).
- 5.6. Subject to Clause 5.5 above, the Parties agree that the Promoters shall not and shall ensure that their Restricted Persons shall not (a) provide any support, in any manner whatsoever, to any Offspring in connection with the CDMO Business; (b) provide any support other than financial support to the Offspring in setting up, soliciting or rendering service to or engaging in any other business that is the same or similar to the Business.
- 5.7. **Exceptions**

Notwithstanding the foregoing provisions of Clause 5:

- (i) Promoters may be appointed as a director and attend the meetings of the board of directors or committees of Permitted Entities and may continue to have ownership interests and affiliation in Permitted Entities;
- (ii) Promoters may for investment purposes (as a passive investor with no special rights including a right to participate in the board), own securities in any entity or a company, that are not in the same or similar line of Business as the Company;

- (iii) Promoters may, for investment purposes, own securities in any entity or a company which is in the same or similar line of Business as the Company, provided that such (i) investments are not more than 5% (five per cent) of the total outstanding securities in any publicly traded companies (as a passive investor without any special rights); and (ii) in case of an unlisted company, such investments shall not exceed 5% (five per cent) each of the total outstanding securities with no special rights (including no right to participate in the board), with maximum of investments in 2 (two) such unlisted companies.
- (iv) The parents of the Promoters may continue to render such consultancy services in Akumentis, Sarvagunaushdhi and Permitted Entities as are provided to such entities on the Closing Date.

6. PRE-EMPTIVE RIGHTS FOR NEW ISSUES OF EQUITY SECURITIES

- 6.1 In the event the Company is desirous of issuing any new Equity Securities after the Closing, including by way of a preferential allotment ("**Proposed Issuance**"), the Company shall provide to the Investor the right to subscribe to their *pro rata* share of the Equity Securities proposed to be issued in any such Proposed Issuance ("**Pre-emptive Right**"). The Company shall give the Investor written notice of any such Proposed Issuance ("**Issuance Notice**") specifying: (i) the number and class of Equity Securities proposed to be issued ("**Issuance Shares**"); (ii) the price per Equity Security of the Proposed Issuance ("**Issuance Price**"); (iii) the manner and time of payment of the subscription amount; and (iv) the date of the Proposed Issuance (the "**Offered Terms**").
- 6.2 The Investor shall be entitled to exercise its Pre-emptive Right by issuing a written notice to the Company, within 30 (Thirty) days from the date of receipt of the Issuance Notice, intimating the Company that it wishes to exercise its Pre-emptive Right ("**Exercise Notice**") and shall pay for and subscribe to such number of Issuance Shares as it wishes to subscribe to, at the Issuance Price and 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 Investor, the Company shall issue and allot such number of the Issuance Shares as is set out in the Exercise Notice to the Investor on the date of closing of the issuance as stated in the Issuance Notice.
- 6.3 The Company shall give the Investor written notice of the total number of Equity Securities not taken up by other Shareholders of the Company as a part of the Proposed Issuance ("**Unpurchased Securities**") within 5 (Five) days of the expiry of the 30 (Thirty) days period referred to in Clause 6.2 above. Such notice shall specify the number of Unpurchased Securities. The Investor shall have the right to subscribe to all or some of such Unpurchased Securities by issuing a written notice to the Company, within 30 (Thirty) days from the date of receipt of the notice from the Company. It is hereby clarified that the Investor's right to subscribe to such Unpurchased Securities under this Clause 6.3 shall apply only in case of a rights issue offer made by the Company.
- 6.4 If the Investor does not, in full or in part, exercise its Pre-emptive Right as mentioned in Clause 6.2, then the Board may, in its discretion, issue and allot such of the Issuance Shares as are not subscribed by the Investor to any Person ("**Nominated Person**") as it deems fit on the terms and conditions set out in the Issuance Notice within a period of 90 (Ninety) days from the date of the Issuance Notice, provided that: (a) such Nominated Person shall not be a Related Party of the Company; and (b) such issuance shall not be made to the Nominated Person at a price lower than the price at which the Investor had invested in the Equity Securities of the Company under the Subscription & Purchase Agreement. In the event the Company does not complete the issuance and allotment to such Nominated Person within 90 (Ninety) days from the date of the Issuance Notice, the Company shall not proceed with such issuance and allotment without issuing a fresh Issuance Notice and following the procedure set out in this Clause 6.

- 6.5 The Parties hereby agree that, notwithstanding the above, there exists no commitment by the Investor or their Affiliates to further capitalize the Company or to provide finance or any other form of support to the Company, including in the form of loans or guarantees or any security.

7. TRANSFER OF EQUITY SECURITIES

7.1 Lock-in

- (a) The Promoters shall at all times directly and in the aggregate together hold at least 50.01 % (fifty point zero one percent) of the Share Capital during the subsistence of this Agreement.
- (b) Subject to Clause 7.1 (a), the Promoters and/ or their Permitted Transferee shall not (together or individually), Transfer in any way or manner any of the Equity Securities or interest therein held by them, without the prior written consent of the Investor for a period of 3 (three) years from the Closing Date, provided however that Promoters shall be permitted to Transfer their shareholding *inter-se* or to their respective Immediate Family Members.
- (c) Subject to Clause 7.1 (a) and 7.1(b): (I) the Promoters (and/ or their Permitted Transferee) shall be entitled to Transfer whether individually or together whether in a single tranche or in multiple tranches such number of Equity Securities as constituting in the aggregate upto 15% (fifteen percent) of the Share Capital as at the date of such determination ("Threshold Shares") without compliance with Clauses 7.2 and 7.3; (II) in the event the Promoters individually or together whether in a single tranche or multiple tranches propose to Transfer such number of Equity Securities which in the aggregate exceed the Threshold Shares then such Transfer shall be subject to the right of first refusal and Tag Along Rights of the Investor as set out herein below.
- (d) The Company hereby agrees and confirms that it shall not record any such Transfer or agreement or arrangement to Transfer in its books and shall not recognize or register any equitable or other claim to, or any interest in, such Equity Securities which have been Transferred in any manner other than as permitted under this Clause 7 and all such purported Transfers shall be void *ab initio*, as well as a breach of this Agreement.

7.2 Right of first refusal of the Investor

Subject always to Clause 7.1 above, if any of the Promoters (and/or their Permitted Transferee) ("Transferring Shareholder") proposes to Transfer more than the Threshold Shares held by him/them in the Company, either directly or indirectly, to any Person, then the Investor shall have a right of first refusal in respect of such Transfer. The process to be followed for the exercise of the right of first refusal is set out below:

- (a) Any of the Transferring Shareholder proposing to Transfer any Equity Securities, shall first give a written notice (hereinafter referred to as "ROFR Notice") to the Investor. The ROFR Notice shall state: (i) the identity of the proposed transferee, (ii) the number of Equity Securities proposed to be Transferred (hereinafter referred to as the "Transfer Shares") and the number and class of Equity Securities the Transferring Shareholder owns at that time on a Fully Diluted Basis, (iii) the proposed price per Equity Security for the Transfer Shares ("ROFR Price") and other material terms and conditions, if any, of the proposed Transfer, and (iv) the proposed date of consummation of the proposed Transfer. Such notice shall be accompanied by documents evidencing key commercial terms as agreed between the Transferring Shareholder and the proposed transferee.

- (b) The Investor shall be entitled to respond to the ROFR Notice by serving a written notice (the "**ROFR Exercise Notice**") on the Transferring Shareholder prior to the expiry of 20 (Twenty) days from the date of receipt of the ROFR Notice (the "**ROFR Period**"), communicating to the Transferring Shareholder, whether or not the ROFR Price and the terms set out in the ROFR Notice are acceptable to the Investor, and if acceptable, that it shall purchase all (and not less than all) the Transfer Shares. In the event that the Investor decides to exercise its right of first refusal, the Transferring Shareholder shall Transfer all the Transfer Shares to the Investor as mentioned in the ROFR Exercise Notice at the ROFR Price and on the terms as are mentioned in the ROFR Notice, within the period mentioned in the ROFR Exercise Notice or within 30 (Thirty) days of the Investor delivering the ROFR Exercise Notice, whichever is earlier.
- (c) In the event that the Investor does not deliver a ROFR Exercise Notice to the Transferring Shareholder prior to the expiry of the ROFR Period (or does not elect to purchase all of the Transfer Shares), upon the expiry of the ROFR Period, (but after compliance with Clause 7.3) the Transferring Shareholder shall be entitled to Transfer the Transfer Shares to any proposed transferee mentioned in the ROFR Notice, at a price per Equity Security no less than the ROFR Price and on terms no more favourable to such proposed transferee than the terms offered to the Investor in the ROFR Notice, provided that such proposed transferee shall execute a Deed of Adherence as specified in **Schedule 2**.
- (d) If completion of the sale and Transfer to such proposed transferee does not take place within the period of 90 (Ninety) days following the expiry of the ROFR Period, the Transferring Shareholder's right to sell the Transfer Shares shall lapse and the provisions of Clause 7.2 shall once again apply to the Transfer Shares.
- (e) Where the Investor requires prior legal, governmental, regulatory or shareholder consent for acquiring the Transfer Shares pursuant to this Agreement, then, notwithstanding any other provision of this Agreement, the Investor shall only be obliged to acquire the Transfer Shares once such consent or approval is obtained, and the Parties shall use their reasonable endeavours to obtain any such required approvals within a time period of no more than 180 (one hundred and eighty) days from the ROFR Period. The Company and the Promoters shall exercise reasonable endeavours to provide assistance to the Transferring Shareholder and the Investor to obtain any such required consents or approvals in a timely manner.

7.3 Tag-Along Right of the Investor

- (a) In the event that the Investor does not exercise its right of first refusal, as provided in Clause 7.2 above, the Investor shall have the right (the "**Tag Along Right**") to sell some or all of the Equity Securities (at its sole discretion) held by the Investor in the proposed Transfer by the Transferring Shareholder at the same price per Equity Security (which shall not be less than the ROFR Price) and on the same terms and conditions on which the Transferring Shareholder proposes to transfer the Transfer Shares.
- (b) If the Investor desires to exercise its Tag Along Right, it shall exercise the said right by giving the Transferring Shareholder a written notice ("**Tag Along Exercise Notice**") to that effect within the ROFR Period, specifying the number of Equity Securities held by it with respect to which it has elected to exercise its Tag Along Right, (the "**Tag Along Shares**") and upon giving such Tag Along Exercise Notice, the Investor shall be deemed to have effectively exercised its Tag Along Right.

- (c) In the event the Investor decides to exercise the Tag Along Right, the Transferring Shareholder shall cause the proposed transferee to purchase from the Investor, the Tag Along Shares at the same price per Equity Security at which the Transfer Shares are being purchased from the Transferring Shareholder. The Investor shall not be required to make any representation, provide any covenants or undertakings, grant any indemnifications or incur any obligations to the proposed transferee or any other Person (other than a representation on the clear title of the Tag Along Shares). The Transferring Shareholder shall ensure that all of the terms of the proposed Transfer offered by the proposed transferee are also offered to the Investor for the same consideration, provided that the Investor may, subject to applicable Law, choose to receive (in its absolute discretion) the cash equivalent of any such consideration which is in a form other than cash.
- (d) If for any reason, the proposed transferee acquiring the Transfer Shares hereunder is unable to or refuses to acquire the Tag Along Shares in respect of which the Investor has exercised its Tag Along Right (or any part thereof) within 90 (Ninety) days from the Tag Along Exercise Notice, then, at the sole option of the Investor, the Transferring Shareholder shall not be entitled to Transfer any of the Transfer Shares held by them in the Company to such proposed transferee.
- (e) If for any reason the proposed transferee acquiring the Transfer Shares hereunder refuses to or is unable to acquire the Transfer Shares and the Tag Along Shares together ("Total Shares") being sold by the Transferring Shareholder and the Investor respectively, then the Transferring Shareholder may elect either: (i) to cancel such proposed Transfer; or (ii) allocate the number of Transfer Shares and Tag Along Shares on a pro-rata basis set out in Clause 7.3 (a) (after considering the total number of Equity Securities proposed to be purchased by the proposed transferee), and consummate such Transfer on such terms, provided however, if such sale of Equity Securities by the Investor on a pro-rata basis results in dilution or reduction of the shareholding of the Investor in the Company below 5% (five percent) of the Share Capital, the Investor shall have the right to decide whether it would sell such pro rata Equity Securities held by it or not to the proposed transferee within 10 (ten) days of receipt of communication from the proposed transferee that it would be unable to acquire the Total Shares, and in such an event if the Investor decides not to exercise such right, the Transferring Shareholder(s) shall be free to transfer its/ their entire Transfer Shares.

7.4 The Equity Securities held by the Investor under this Agreement shall at all times be freely Transferable to any Person (including Affiliates) ("Investor Transferee(s)") without the prior consent of any Person, including the Company or the Promoters, subject to the following:

- (a) prior to the Transfer, the Investor shall procure and cause such Investor Transferee(s) to execute the Deed of Adherence, and the rights and obligations of the Investor and Investor Transferee(s) shall be governed in accordance with Clause 24.7 below.
- (b) the Investor shall not Transfer all or part of the Equity Securities to any Competitor, provided that such restriction will fall away in the event (i) the Company fails to provide an exit to the Investor within the Exit Period 2, including upon exercise of drag along right by the Investor in accordance with Clause 8.11 of this Agreement; or (ii) of occurrence of an Event of Default. The Investor agrees that the restriction under this Clause shall not be capable of being avoided, and shall not be avoided, by the Investor selling the entity that holds Equity Securities of the Company to a Competitor.

7.5 Permitted Transfers

7.5.1 Nothing contained in this Clause 7 shall apply to any Transfer of Equity Securities that is:

- (a) a Transfer of Equity Securities held by a Promoter (or his Immediate Family Members) to a Person who is his Immediate Family Member ("**Permitted Transferee**"), provided that such Permitted Transferee shall be required to execute a Deed of Adherence, in the form and substance as set out in **Schedule 2**, simultaneously upon such Transfer of Equity Securities; and
- (b) such Permitted Transferee shall be permitted to hold such Equity Securities in accordance with the provisions of this Agreement, till such time it remains a relative of such Promoter. It is hereby agreed that for the purposes of this Agreement, all the Equity Securities held by the Promoters and their Permitted Transferees from time to time, shall be treated as a single block and the Promoters and the Permitted Transferee shall be entitled to all of the rights of the 'Promoter' under this Agreement, as a single block. Provided further that, the Permitted Transferee shall not be bound by any obligations of the Promoter contained in this Agreement except for transfer restrictions as set out in this Clause 7 and the obligation to ensure that he/she shall exercise the voting rights attached to his/her Equity Securities in accordance with the Agreement.

7.5.2 Provided further that nothing herein shall apply to transmission of Equity Securities to legal heirs or successors of the Promoters and such legal heirs or successors shall not be bound by any obligations as may be applicable to the relevant Promoter whose legal heir or successors they may be. It is clarified here that such legal heirs or successors shall however (a) be bound by transfer restrictions as set out in this Clause 7, (b) ensure that they exercise the voting rights attached to their Equity Securities to give effect to the terms of this Agreement and (c) be designated as a 'promoter', if required, to consummate an IPO/Qualified IPO under Clause 8, if required under applicable Law.

7.5.3 Any agreement or arrangement to Transfer any Equity Securities other than in the manner set out in this Clause 7 shall be null and void. The Company hereby agrees and confirms that it shall not record any such Transfer or agreement or arrangement to Transfer on its books and shall not recognize or register any equitable or other claim to, or any interest in, such Equity Securities which have been Transferred in any manner other than as permitted under this Clause 7 and all such Transfers shall be deemed to be a breach of this Agreement.

7.5.4 It is hereby clarified that notwithstanding the Transfer of Equity Securities by the Promoters to Permitted Transferees in accordance with this Clause 7, the Promoters shall, at all times, continue to be responsible for ensuring that all obligations of the 'Promoter' under this Agreement are duly complied with.

8. **EXIT**

8.1 The Company shall use best efforts to consummate a Qualified IPO involving all or such portion of the Equity Securities held by the Investor and offered by the Investor within 48 (forty eight) months from the Closing Date ("**Exit Period 1**"). The Board shall, with the prior written consent of the Investor, and in consultation with a firm of independent merchant bankers, and subject to such statutory guidelines as may be in force, decide on:



- (i) The method of listing the Equity Securities, i.e. either:
 - (I) Through a public issue of fresh Equity Securities; or
 - (II) Through an offer of existing Equity Securities by some or all the Shareholders (an "Offer of Existing Securities"); or
 - (III) A combination of (I) and (II).
 - (ii) The price and other terms and conditions of the Qualified IPO.
 - (iii) The timing of the Qualified IPO.
 - (iv) The stock exchanges on which the Equity Securities are to be listed.
 - (v) Any other matters related to the Qualified IPO.
- 8.2 Any such Qualified IPO shall be subject to the approval of the Investor.
- 8.3 The Promoters shall offer as many Equity Securities in the Qualified IPO as may be required, under Law, to enable the listing of Equity Securities of the Company, subject to the Investor offering (i) at least 50% (fifty per cent) of its shareholding in the Company for such listing wherein under the applicable Law the Company is required to maintain a minimum public shareholding of 25% (twenty five percent) post listing, and (ii) 60% (sixty per cent) of its shareholding held by the Investor in the Company for such listing, wherein under the applicable Law the Company is required to maintain a minimum public shareholding of more than 25% (twenty five percent) post listing.
- 8.4 The Promoters and Investor hereby agrees to vote in favour of and to do all acts and deeds necessary for effecting the Qualified IPO. The Promoters agree that, in the event of a Qualified IPO, they shall offer such number of their Equity Securities for lock-in as may be required to meet the minimum lock-in requirements under the applicable SEBI regulations and guidelines. The Investor shall not be required to call itself, and the Company shall not refer to the Investor as "founder" or "promoter" in the offer documents or filings with the SEBI or any other Governmental Authorities, nor shall the Investor be required to offer any of such Investor's Equity Securities for such lock-in.
- 8.5 All fees and expenses (including *inter alia* payment of all costs relating to the listing and sponsorship, underwriting fees, listing fees, merchant bankers fees, bankers fees, brokerage, commission, and any other costs that may be incurred due to the changes to Law for the time being in force) required to be paid in respect of the Qualified IPO, shall be borne and paid by the Company and all intermediaries, agents and managers shall be appointed by the Company in consultation with the Investor (other than the legal, financial or other advisers appointed separately by the Investor, if any). Provided that if the Law requires the Investor to bear any expenses in relation to a Qualified IPO by offer for sale or any other method, the Investor's liability in relation thereto will be limited only to the statutory expenses under Law, provided further that the Investor shall bear all costs towards legal, financial and other advisers appointed by it (if any) in connection with the offer for sale of the Equity Securities held by the Investor.
- 8.6 The Company and the Promoters shall indemnify the Investor to the maximum extent permitted under Law, against any Claim, arising out of or relating to any misstatements and omissions of the Company in any registration statement, offering document or preliminary offering document, and like violations of applicable securities Laws by the Company in connection with a public offering hereunder, other than with respect to information provided by the Investor, in writing, expressly for inclusion therein.

- 8.7 The Company and the Promoters hereby agree and undertake that they shall make all the necessary applications and take all requisite steps to obtain all the relevant approvals/ Government authorizations, statutory or otherwise that are necessary for a Qualified IPO, and endeavor to complete the process of the Qualified IPO as required under applicable Law and/or as may be required by the lead merchant banker (such as permitting due diligence of the Company and other processes as may be customarily required for conducting a Qualified IPO for example, conducting road shows with adequate participation of senior management of the Company, entering into appropriate and necessary agreements, providing all required information and documents necessary to prepare the offer documents) and the Investor shall extend to the Company and the Promoters all reasonable co-operation required in this regard.
- 8.8 Neither the Investor nor the Investor Director(s) shall be required to execute any documents, undertakings or provide any warranties and/ or indemnities including to any lead merchant banker(s), stock exchanges, Governmental Authorities or brokers, other than as required under applicable Law by a selling shareholder, if any, offered for sale by Investor in the Qualified IPO or as a Director of the Company, in connection with the said Qualified IPO.
- 8.8A. Notwithstanding the foregoing, and subject to Clause 3.19, the Company and the Promoters may at any time offer for listing of its Equity Securities by any other means, subject to and in accordance with applicable Law.

8.9 Secondary Sale

If within the Exit Period 1, the Company does not or is unable to, for any reason, provide an exit to the Investor in accordance with Clause 8.1, then within 6 (Six) months subsequent to the expiry of the Exit Period 1 ("Exit Period 2"), the Company and the Promoters shall, take all necessary steps to facilitate a secondary sale of all or such number of the Equity Securities held by the Investor, as the Investor requires, in favour of a Third Party identified by the Promoter at a price per share that is at least equal to the Exit Price and on terms and conditions acceptable to the Investor, it being clarified here that such terms and conditions acceptable to the Investor (acting reasonably) shall be agreed between the Investor and the Company (both acting reasonably) immediately prior to initiation of the process of such secondary sale by the Company.

8.10 Exit Rights

If within the Exit Period 2, the Company does not or is unable to, for any reason, provide an exit to the Investor in accordance with Clause 8.9, then the Investor shall, by issuing a written notice ("Exit Notice") to the Company at any time subsequent to the expiry of the Exit Period 2, have the right to exercise any of the following exit rights set out in Clause 8.10 (i) and (ii) below, provided however that in the event the Company has offered a full exit to the Investor in accordance with Clause 8.1 to Clause 8.9, and the Investor has either elected to not participate in such exit or the Investor elected to sell only part of the Equity Securities held by the Investor in such exit, then the Company shall be deemed to have fulfilled its obligations under Clauses 8.1 to Clauses 8.9 and the Investor shall have no further right to require the Company and the Promoters to provide an exit or to comply with either this Clause 8.10 or Clause 8.11.

(i) IPO

Call upon the Company and the Promoters to undertake an IPO which shall be either through (a) a fresh issue of Equity Shares, and/or (b) an offer for sale of the Equity Shares of the Investor and/or other Shareholders. The Company hereby undertakes to take all actions, and the Promoters undertakes to use all their rights (including voting of its shares) in the Company to ensure that the Company takes all actions to facilitate such a suitable IPO. Such IPO shall be on terms and conditions as the Investor may deem reasonable and appropriate including at a price per share that is at least equal to the Exit Price and within 180 (One Hundred Eighty) days from the date of the Exit Notice.

(ii) **Buy-back**

- (a) To require the Company to buy-back the Equity Securities held by the Investor or any portion thereof ("**Buy Back Shares**"), in accordance with applicable Law, at a price per share that is equal to the FMV ("**Buy Back Price**"), within 180 (One Hundred Eighty) days from the date of the Exit Notice ("**Buy Back Exercise Period**") ("**Buy Back Right**").
- (b) The Company shall within Buy Back Exercise Period, buy back all the Buy Back Shares at the Buy-Back Price subject to and in accordance with applicable Law.
- (c) In the event that the Investor seeks to exercise its Buy Back Right, the Shareholders expressly agree to vote at Board and shareholder meetings in a manner so as to give effect to the buy back as contemplated in this Clause and further with respect to Shareholders other than the Investor (i) agree, undertake and acknowledge that they will not have any right to participate in such buy-back and (ii) waive any right granted to each of them by operation of Law or otherwise to participate in such buy-back, until the Buy Back Shares have been bought back in full, in the manner stated herein.

8.11 ROFO and Drag Sale

- (i) In the event the Company is unable to provide exit to the Investor pursuant to the exercise of Exit Default Rights under Clause 8.10 above within 180 (One Hundred Eighty) days from the date of the Exit Notice, then the Investor may offer its Equity Securities to the Promoters ("**ROFO Shares**") who shall have the right of first offer in relation to such ROFO Shares ("**ROFO Right**"), in such manner and proportion, *inter se* the Promoters, as the Promoters may decide in their discretion. The process to be followed for the exercise of the ROFO Right is set out below:
 - (a) The Investor shall first give a written notice ("**ROFO Notice**") to the Promoters. The ROFO Notice shall state the number of ROFO Shares proposed to be Transferred.
 - (b) The Promoters shall be entitled to respond to the ROFO Notice by serving a written notice (the "**ROFO Acceptance Notice**") on the Investor prior to the expiry of 20 (twenty) days from the date of receipt of the ROFO Notice, specifying (i) the price at which the Promoter(s) (collectively or any one of them individually) proposes to exercise his/their right of first offer and acquire from the Investor all of the ROFO Shares ("**ROFO Price**"), and (ii) other proposed material terms and conditions of the proposed Transfer ("**ROFO Terms**").
 - (c) On receipt of the ROFO Acceptance Notice, the Investor shall, at its own discretion, be entitled to Transfer all the ROFO Shares either (i) to the Promoter(s) issuing the ROFO Acceptance Notice at the ROFO Price and on the ROFO Terms, or in the event the ROFO Price or the ROFO Terms are not acceptable to the Investor, to a Third Party in the manner provided in Clause 8.11(ii) and (iii), provided that Transfer to such a Third Party shall be either (a) at a price greater than the ROFO Price; or (b) on terms and conditions more favourable than the ROFO Terms.

- (ii) Subject to Clause 8.11(i) and the Investor having provided the ROFO Right to the Promoters in accordance with Clause 8.11(i) above, the Investor shall have the right to Transfer its Equity Securities to any Person ("**Drag Sale Purchaser**") (such sale the "**Drag Sale**"), exercisable by written notice to the Company and the Promoters ("**Drag Along Notice**"), to require each of the Promoters to: (i) Transfer for value to such Drag Sale Purchaser up to 5% (five percent) of the Equity Securities then held by the Promoters, *provided that* the price (on a per Equity Security basis) offered to the Promoters shall be the same as that offered to the Investor (and in any event more than the ROFO Price or terms and conditions more favourable than the ROFO Terms); (ii) vote, as Shareholders of the Company and as holders of Equity Securities of the respective classes and series, in favour of a Drag Sale; and (iii) execute and deliver any and all agreements, certificates, deeds, instruments and other documents reasonably required in connection therewith and to take all other steps requested by the Investor to cause such Drag Sale to be consummated, including, as appropriate, exercising their best efforts to cause all Directors under their control or influence to vote, as Directors, to approve the Drag Sale.
- (iii) The Company and the Promoters agree to provide such access and information as may be requested by the Drag Sale Purchaser, co-operating in any due-diligence conducted by such Drag Sale Purchaser and providing such representations, warranties and related indemnities with respect to the operations of the Company that are same as the representations, warranties and related indemnities with respect to the operations of the Company as are provided to the Investor under the Subscription & Purchase Agreement (subject to necessary modifications on account of applicability of representations and warranties as on that date), in addition to the authority and title to the Equity Securities held by the Promoters.
- 8.12 All fees and expenses in respect of any exit to be provided to the Investor under this Clause 8, including legal fees, accounting fees, merchant banker expenses, etc. shall be borne and paid by the Company, provided however, in case of a successful consummation of a secondary sale in accordance with Clauses 8.9 or a drag sale in accordance with Clause 8.11, the maximum amount payable by the Company under this Clause 8.12 shall be not more than INR 20,000,000 (Indian Rupees Twenty Million).
- 8.13 The Company and the Promoters shall facilitate any diligence that a Third Party buyer may wish to undertake in relation to the purchase of part or all of the Equity Securities held by the Investor in accordance with this Clause 8.
- 8.14 **Procedure for determination of FMV**
- (i) For the determination of FMV (wherever such term is used in this Agreement), upon occurrence of the event requiring determination of the FMV, the Board shall promptly issue a notice to the Promoters and the Investor to appoint 2 (two) valuers from amongst the Big Five Firms (each such valuer referred to as an "**Independent Valuer**"), such that the Promoters shall appoint 1 (One) Independent Valuer ("**Promoter Valuer**") and the Investor shall appoint 1 (One) Independent Valuer ("**Investor Valuer**") to compute the FMV of the Equity Securities.
- (ii) Within 15 (Fifteen) days of receipt of notice from the Board, the Promoters and the Investor shall appoint the Investor Valuer and the Promoter Valuer respectively to compute the FMV of the Equity Securities ("**Preliminary Valuation**") and deliver a valuation report ("**Preliminary Valuation Report**") within a period of 1 (One) month of the date of their appointment ("**FMV Computation Date**"). The Promoters and the Investor shall bear the respective cost of the Independent Valuer appointed by them. *Provided that*, if either the Investor or the Promoters fail to appoint the Investor Valuer or Promoter Valuer (as the case may be) within the time period stipulated herein, the Independent Valuer, so appointed by the other party shall be deemed to be the sole authority to determine the FMV as per this Clause 8.14 and the FMV determined by the Independent Valuer, so appointed by the other party shall be the final and binding FMV.

- (iii) The Company shall provide all information as may be sought by the Promoter Valuer and the Investor Valuer; and provide all assistance and cooperation as may be required by the Promoter Valuer and the Investor Valuer, in relation to the determination of the FMV.
 - (iv) In the event that the greater (in value) of the Preliminary Valuations ("**Greater Preliminary Valuation**") is equal to or less than 120% (One Hundred Twenty Percent) of the lesser (in value) of the Preliminary Valuations ("**Lesser Preliminary Valuation**"), then the average of the 2 (Two) Preliminary Valuations shall be the FMV.
 - (v) In the event that the Greater Preliminary Valuation is greater than 120% (One Hundred Twenty Percent) of the Lesser Preliminary Valuation, then the Investor Valuer and the Promoter Valuer shall, within 7 (Seven) days from the FMV Computation Date, jointly select another Big Five Firm (not being either of the two Independent Valuers) or a valuer acceptable to the Investor and the Promoters ("**Third Valuer**") to determine another FMV within a period of 30 (Thirty) days of such appointment.
 - (vi) The Company shall provide all information as may be sought by the Third Valuer and provide all assistance and cooperation as may be required by the Third Valuer, in relation to the determination of the FMV.
 - (vii) The average of the valuation determined by the Third Valuer and the valuation determined by the Independent Valuer which is the closest, in numerical terms, to the valuation of the Third Valuer, shall be the final and binding FMV. The cost of the Third Valuer shall be equally borne by the Investor and the Promoters.
- 8.15 In the event that the Company is unable to provide a full exit to the Investor in accordance with Clause 8.10(ii) within the timeline thereunder solely on account of a restriction under the applicable Law, then the obligation on the Company to provide the exit shall be automatically extended till such time that a full exit can be provided to the Investor.

9. RIGHT OF INSPECTION

- 9.1. The Investor shall, at all times, by giving a notice of at least 10 (Ten) Business Days, be entitled to carry out inspection of site, accounts, documents, records, premises, and equipment and all other property of the Company or its Subsidiaries during normal working hours through its authorized representatives or agents at its own cost and the Company or its Subsidiaries shall use reasonable efforts to provide such information, data, documents, evidence as may be required for the purpose of and in the course of such inspection in connection therewith. All reasonable costs incurred in connection with such inspection shall be borne by the Investor conducting such inspection, provided that, any costs incurred in connection with any remedial action to be taken by the Company or its Subsidiaries (whether at the Investor's request or otherwise) pursuant to the inspection as mentioned herein above, shall be borne by the Company.
- 9.2. The Investor shall have the right to be kept informed and consult with the management of the Company with regard to any material developments in or affecting the Business, the Company or its Subsidiaries, to discuss business operations, analysis and market intelligence, market trends, properties and the financial or other condition of the Company or its Subsidiaries with its management and Directors, to consult with and advise the management on significant business issues and to regularly meet with the management during each year for such consultation and advice. The Investor shall also have the right to discuss the affairs of the Company or its Subsidiaries with the auditors, and the Company shall irrevocably authorize the auditors to communicate directly with the Investor at any time regarding the Company's or its Subsidiaries' accounts and operations.

10. INFORMATION RIGHTS

- 10.1 The Company shall deliver to the Investor (in relation to the Company and its Subsidiaries), the following information:
- (i) As soon as practicable, but in any event within 180 (One Hundred and Eighty) days after the end of each Financial Year of the Company and its Subsidiaries, the audited Financial Statements;
 - (ii) As soon as practicable, but in any event within 45 (Forty-Five) days after the end of each quarter of each Financial Year of the Company and its Subsidiaries, unaudited quarterly management accounts;
 - (iii) As soon as practicable, but in any event within 90 (Ninety) days from the end of the preceding Financial Year, draft annual accounts of the Company and its Subsidiaries in the format prescribed by applicable Law;
 - (iv) As soon as practicable, but in any event no later than 30 (Thirty) days prior to the beginning of the next each Financial Year, the draft Annual Budget for the next Financial Year;
 - (v) As soon as practicable, but in any event within 30 (Thirty) days from the end of the preceding calendar month, monthly financial and operating management information system in a mutually agreed format;
 - (vi) As soon as practicable, but in any event within 30 (Thirty) days from the end of the preceding calendar month, ESG related information;
 - (vii) prompt notice of any event or circumstance having or reasonably expected to have a Material Adverse Effect;
 - (viii) Copies of any reports filed by the Company and its Subsidiaries with any Governmental Authority including copies of all filings (including Tax returns) made with Governmental Authority or such other filings as may be requested by the Investor, from time to time;
 - (ix) Such other information in relation to the Company, which in the opinion of the Promoters, has a significant impact on the Business of the Company and its Subsidiaries;
 - (x) Prompt notice of any litigation / disputes / material adverse claims against the Company and its Subsidiaries that impedes or is likely to materially adversely affect its Business or assets or otherwise;
 - (xi) As soon as practicable, but in any event within 30 (Thirty) days of such meeting, minutes of general meetings, Board Meetings and meetings of the committees of the Board; and
 - (xii) any other information as such Investor may from time to time reasonably request.
- 10.2 The Financial Statements delivered under Clause 10.1 shall be prepared in English and in accordance with applicable Law shall be signed by the respective Directors/ officers of the Company and or Subsidiaries as the case may be.

11. LIQUIDATION PREFERENCE

- 11.1 In the event of a Liquidity Event subject to applicable Law, the liquidation proceeds available for the Shareholders, shall be paid or distributed in the following manner:
- (i) The Investor shall first be entitled to receive an amount *pro-rata* to its shareholding in the Company (on a Fully Diluted Basis) on account of such common Equity Shares along with all due and unpaid dividends pertaining to such Equity Shares.
 - (ii) After the amounts under Clause 11.1(i) have been fully paid to the Investor, the remaining amounts in the proceeds available for distribution to the Shareholders shall be distributed to the other holders of common Equity Shares *pro-rata* to their shareholding in the Company (on a Fully Diluted Basis).

12. BORROWINGS & FUNDING

The Parties expressly agree that in the event the Company proposes to borrow funds from any Person, including but not limited to banks and financial institutions, the Investor shall not be asked, or be required to give any warranties, letter of comfort and/or guarantees, of any nature whatsoever for any loans or with regard to any aspect of the business or functioning of the Company.

13. PLEDGE OF SHARES

The Investor shall not be required to pledge its Equity Securities or provide any support to any Third Party, including but not limited to lenders of the Company.

14. REPRESENTATION AND WARRANTIES

Each Party represents to the other Parties hereto that:

- (i) Such Party has the authority and capacity to enter into, execute and deliver this Agreement and to perform its obligations and the transactions contemplated hereby and, if such Party is not a natural Person, such Party is duly incorporated or organised with limited liability and validly existing under the Laws of the jurisdiction of its incorporation or organization, having full corporate power and authority to enter into and perform its obligations under this Agreement; and
- (ii) The execution and delivery by such Party of this Agreement and the performance by such Party of its obligations and the transactions contemplated hereunder have been duly authorised by all necessary corporate or other action of such Party.

15. FINANCIAL ACCOUNTING AND AUDITS

- 15.1 Financial and accounting records: The Company shall and shall cause its Subsidiaries to maintain true and accurate financial and accounting records of all operations in accordance with applicable Law and the policies from time to time adopted by the Board. The Financial Statements and accounts of the Company and its Subsidiaries shall be prepared in English and shall be audited on an annual basis.
- 15.2 Statutory Auditors: The Company shall appoint and retain any of the Big Five Firms or such other auditing firm as may be approved by the Investor and the Promoters, as the statutory auditors of the Company, on the Closing Date, in accordance with applicable Law. Further, the Company shall cause the Subsidiaries to appoint one of the Big Five Firms or such other auditing firm as may be approved by the Investor and the Promoters, as their statutory auditor, for any Financial Year as required by the Investor.

16. OTHER COVENANTS

16.1 Compliance with Law

The Company shall, and the Company shall ensure that its Subsidiaries shall:

- (i) act in compliance with applicable Law;
- (ii) not be in breach of any of its obligations under any of the applicable licenses, registrations, permits and orders from Governmental Authorities;
- (iii) comply with all its obligations under agreements and contracts to which the Company or such Subsidiary is a party and to which its assets, operations are subject.

16.2 Insurance

- (i) The Company shall take comprehensive liability, fire, earthquake, extended coverage and other appropriate insurance coverage with respect to the Business of the Company and its Subsidiaries from a reputed insurance firm, in a form and of a sum acceptable to the Investor, and
- (ii) The Company shall maintain adequate directors' and officers' liability insurance for all Directors, in a form and of an amount acceptable to the Investor.

16.3 Good industry practices

The Company shall, and shall cause its Subsidiaries to comply with applicable Laws in the conduct of its Business and affairs, and the Company shall, and shall cause its Subsidiaries to, conduct itself and operate in accordance with good industry practices, the terms of applicable Laws (including applicable Laws regulating foreign investment and exchange control) and any approvals received in terms thereof.

16.4 Promoter Status

- (i) The Company and the Promoters undertake that the Investor and/ or its Affiliates shall not be named or deemed as 'promoters' or 'sponsors' of the Company nor shall any declaration or statement be made to this effect, either directly or indirectly, in filings with regulatory or Governmental Authorities, offer documents or otherwise without the prior written consent of the Investor.
- (ii) The Company and the Promoters further undertake that the Investor, its officials, employees, nominee directors, managers, representatives or agents shall not be named or deemed as an 'occupier' or 'officer in charge' or 'officer who is in default' under any applicable Laws. In the event any Governmental Authority takes a view or draws an inference that the Investor or its Affiliates or its officials, employees, nominee directors, managers, representatives or agents, is a 'sponsor', 'occupier' or 'officer in charge' or 'officer who is in default', then the Company and/ or the Promoters shall cooperate with the Investor to make such representations and make full disclosures to the Investor or such body or authority as may be required by the Investor to dispel or correct such inference or view under the Law.

16.5 Ethical Practices

The Company and its officers, Directors, employees and agents (in each case as authorised by the Company and acting for and on behalf of the Company) shall, and the Company shall cause the Subsidiaries to engage only in legitimate business and ethical practices in commercial operations and in relation to Governmental Authorities. None of the Company or the Subsidiaries or any of its officers, employees or agents (in each case as authorised by the Company and acting for and on behalf of the Company) shall otherwise pay, offer, promise or authorize the payment, directly or indirectly, of any monies or anything of value to any government official or employee or any political party for the purpose of influencing any act or decision of such official or of any Governmental Authority to obtain or retain business, or direct business to any Person.

16.6 Filings

The Company shall, shall cause its Subsidiaries to, act in good faith and take all steps and make all filings with the relevant Governmental Authority, as are necessary, from time to time, to maintain all consents, approvals and licenses that it requires under the applicable Laws, for the conduct of its business and operations.

16.7 Tax Covenants

The Company, and the Promoters shall cause the Company to and Company shall cause its Subsidiaries to, act in good faith and shall pay all Taxes (direct and indirect), duties, cess, fees or any other amount payable (whether by way of Tax or otherwise) as determined by the Government/ or any regulatory authority in India, under the applicable Laws of India. Further, the Company, and the Promoters shall cause the Company to and Company shall cause its Subsidiaries to, take all steps to make the necessary Tax filings under the applicable Laws of India (including but not limited to the return of income for the relevant Financial Years, withholding Tax returns, etc.).

16.8 Annual Budget

The Annual Budget for each Financial Year shall be discussed by the Executive Committee and approved by the Board, no later than 30 (Thirty) days before the beginning of such Financial Year, and thereafter the Board shall ensure that the Company operates the Business in accordance with the terms of the Annual Budget agreed from time to time.

16.9 Business Plan

The initial Business Plan for the Financial Years 2020-2024 is as set out in **Schedule 1** of the Agreement, the contents of which shall be adopted by the Board in the Board meeting at Closing, in accordance with the Subscription & Purchase Agreement, and which shall act as guiding principles and a vision statement for the Company for the next 5 (five) Financial Years.

16.10 Compliance with Investor's Environmental, Social and Corporate Governance ("ESG") Requirements

The Investor adheres to the Global Impact Invest Rating System ("GIIRS") and have developed an Environment and Social ("E&S") policy in accordance with the International Finance Corporation's ("IFC") policies and procedures for social and environmental considerations for private equity funds. In line with the Investor's E&S policy, the Company agrees that it shall:

- (i) Comply with all applicable, local, regional, national and international laws and regulations (as are applicable to the Company) at all times;

- (ii) Cooperate with the Investor's representatives in conducting due diligence related to ESG issues, at the cost and expense of the Investor;
- (iii) Undergo a preliminary and annual GIRS Rating, costs in respect of which shall be borne by the Investor;
- (iv) Provide its full cooperation and shall, jointly with the Investor's representatives, undertake the following actions:
 - (a) Identifying and agreeing upon key performance indicators ("KPIs") related to ESG issues;
 - (b) Implementing initiatives to meet agreed upon ESG related KPIs;
 - (c) Improving ESG performance if it is unable to fulfil agreed upon ESG KPIs at any time from the Closing Date to the date of complete exit of the Investor from the Company; and
 - (d) Track, measure and report data on ESG metrics and Environmental and Social Action Plan (ESAP) on a quarterly and annual basis as per the Investor's E&S policy, a copy of which shall be provided to the Company.

16.11 Sanctionable Practices

- (i) Each of the Promoters and the Company hereby agrees that they shall not engage in (nor authorize any Affiliate or any other Person acting on their respective behalf to engage in) any Sanctionable Practice with respect to the Company or its Subsidiaries or any transaction contemplated by this Agreement;
- (ii) Each of the Promoters and the Company further covenants that should it become aware of any violation of Clause 16.11(i), it shall promptly notify the Investor; and
- (iii) If the Investor notifies the Company and/or any Promoter of its concern that there has been a violation of Clause 16.11(i), the Company and the Promoters shall cooperate in good faith with the Investor and its representatives in determining whether such a violation has occurred, and shall respond promptly and in reasonable detail to any notice from the Investor, and shall furnish documentary support for such response upon the Investor's request.

16.12 FCPA

The Company represents that it shall not and shall not permit or authorize any of its Subsidiaries or authorize any of its Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents on behalf of the Company to promise, authorize or make any payment to, or otherwise contribute any item of value, directly or indirectly, to any third party, including any Non-U.S. Official (as defined in the FCPA), in each case, in violation of the FCPA, the UKBA, the PCA or any other applicable anti-bribery or anti-corruption Law. The Company further covenants, undertakes and represents that it shall and shall cause each of its Subsidiaries and Affiliates acting on behalf of the Company to cease all of its or their respective activities, as well as remediate any actions taken by the Company, its Subsidiaries or Affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents (authorized by the Company) in violation of the FCPA, UKBA, the PCA, or any other applicable anti-bribery or anti-corruption Law. The Company further covenants, undertakes and represents that it shall and shall cause each of its Subsidiaries and Affiliates to maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the UKBA, the PCA or any other applicable anti-bribery or anti-corruption Law.

16.13 PFIC

The Company acknowledges that certain investors may be, or may be comprised of investors that are, U.S. persons and that the U.S. income tax consequences to those persons of the investment in the Company will be significantly affected by whether the Company and/or any of the entities in which it owns an equity interest at any time is (i) a "passive foreign investment company" (within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended) (a "PFIC") or (ii) classified as a partnership or a branch for U.S. federal income tax purposes.

The Company shall determine annually at Investor's sole cost and expense, with respect to its taxable year (i) whether the Company and each of the entities in which the Company owns or proposes to acquire an equity interest (directly or indirectly) is or may become a PFIC (including whether any exception to PFIC status may apply) or is or may be classified as a partnership or branch for U.S. federal income tax purposes, and (ii) to provide such information as any direct or indirect shareholder may request to permit such direct or indirect shareholder to elect to treat the Company and/or any such entity as a "qualified electing fund" (within the meaning of Section 1295 of the U.S. Internal Revenue Code of 1986, as amended) for U.S. federal income tax purposes. The Company shall also obtain and provide reasonably promptly upon request any and all other information deemed necessary by the direct or indirect shareholder to comply with the provisions of this agreement, including English translations of any information requested.

16.14 E&S Policy

The Company shall and shall ensure that the Subsidiaries shall, comply with the E&S Policy at all times.

16.15 Related Party Transactions

Without prejudice to the requirements under Clause 3.19, the Company and the Promoters hereby undertake, and Company shall cause its Subsidiaries to ensure, that any transactions with related parties shall be conducted as provided in the Act.

16.16 Other Covenants

- (i) The Company hereby acknowledges that the amount of loan advanced by the Company to Sarvagunashudi shall in no event exceed an amount of INR 380,000,000 (Indian Rupees Three Hundred Eighty Million). Further, on and from the Execution Date, any funding requirement of Sarvagunashudi shall be undertaken by the Promoters.
- (ii) The Parties hereby acknowledge that, the Company shall, after the Execution Date, pay an amount not exceeding INR 381,623,907 (Indian Rupees Three Hundred Eighty One Million Six Hundred Twenty Three Thousand Nine Hundred and Seven) (i.e. the outstanding amount from the total consideration of INR 411,623,907 (Indian Rupees Four Hundred Eleven Million Six Hundred Twenty Three Thousand Nine Hundred and Seven) to the Promoters in connection with the buy-back of shares already completed by the Company, in relation to the re-organisation of the Company and its Subsidiaries, such that the Company holds 100% (one hundred per cent) of the share capital in the Subsidiaries, namely Malik, Maxcure, Pure & Cure, Upadhrish, Amazing, AVHA, Delcure, May and Baker, Nicholas, Plenteous and Sarvagunashudi, in the manner set out in the Subscription & Purchase Agreement.

17. INTELLECTUAL PROPERTY RIGHTS

All the IP Rights arising out of the performance by the Company of its Business and the Subsidiaries of their respective business and the inputs of the Promoters in the course of his association with the Company, shall be owned by the Company and its Subsidiaries respectively and all Parties will assist the Company and its Subsidiaries in securing such IP Rights as the Company and its Subsidiaries may own by filing for appropriate protection under applicable Laws or by executing separate written agreements in the name of the Company and its Subsidiaries (as applicable). No Party to this Agreement will act in any manner derogatory to the proprietary rights of the Company and its Subsidiaries (as applicable) over such IP Rights.

The Parties acknowledge that the Excluded IP Rights are not being used in connection with the business of the Company and its Subsidiaries. The Promoters shall be entitled to transfer at their own cost such Excluded IP Rights to themselves or any other Person, without payment of any consideration to the Company. All Claims in relation to such Excluded IP Rights shall be borne exclusively by the Promoters and the Promoters shall indemnify the Company for any such Claims incurred by the Company.

18. TERMINATION

18.1 This Agreement may be terminated by the Party specified below, by the issuance of a notice in writing of at least 30 (Thirty) days, upon the happening of any of the following events, in the manner and to the extent stated below:

- (i) With respect to a Party, upon such Party (and its Permitted Transferee(s) or Investor Transferee(s) (as applicable)) ceasing to hold any Equity Securities (in the manner permitted hereunder); or
- (ii) With respect to each Party hereto, on all the Parties hereto agreeing in writing to terminate this Agreement mutually.

18.2 This Agreement shall terminate immediately upon the consummation of a Qualified IPO, except the right of the Investor to nominate the Investor Director in accordance with Clause 3, which shall survive such termination of the Agreement.

18.3 The rights and obligations of the Parties under this Agreement, which either expressly or by their nature survive the termination of this Agreement, shall not be extinguished by termination of this Agreement. Without prejudice to the generality of the foregoing, Clauses 14 (*Representation and Warranties*), 18.2 (*Survival*), 21 (*Confidentiality*), 22 (*Governing Law*), 23 (*Dispute Resolution*) and 24 (*Miscellaneous*) shall survive the termination of this Agreement.

18.4 The termination of this Agreement in any of the circumstances aforesaid shall not in any way affect or prejudice any right accrued to any Party against the other Parties, prior to such termination.

19. EVENTS OF DEFAULT

19.1 Upon occurrence of an Event of Default, the Investor shall, in addition to its other rights hereunder, have the right to seek an exit from the Company in the manner contemplated in Clause 8 above on an immediate and accelerated basis, at any time notwithstanding the non-expiry of the Exit Period I.

19.2 The Investor shall be entitled to all the rights and remedies (including right to claim damages) which are available to the Investor under Law, equity or otherwise including such other rights and remedies as may be mutually agreed between the Parties in this Agreement provided that the Investor has not exercised its rights under Clause 19.1, and the same has been duly honored by the Company and the Promoters.

20. COVENANT OF THE PROMOTER AND THE INVESTOR

20.1 The Promoters undertake that they shall, at all times, during the term of this Agreement, exercise all their voting and other rights (including through members nominated by the Promoters on the Board and or any committee of the Board or the Company), available with each of them, with respect to the Company and its Subsidiaries and under this Agreement, in such manner as to procure or ensure or cause (as the case may be) the Company and its Subsidiaries to comply with all its obligations, undertakings and covenants under this Agreement.

20.2 The Investor undertakes that it shall at all times, during the term of this Agreement, exercise all its voting and other rights (including through members nominated as Investor Directors on the Board and or any committee of the Board or the Company), available with it, with respect to the Company and its Subsidiaries and under this Agreement, in such manner to comply with all the Investor's obligations, undertakings and covenants under this Agreement.

21. CONFIDENTIALITY

21.1 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. None of the Parties shall issue any public release or public announcement or otherwise make any disclosure concerning the Information, without the prior approval of the Investor; provided however, that nothing in this Agreement shall restrict any of the Parties from disclosing any information as may be required under applicable Law subject to providing a prior written notice of 10 (Ten) days to the other Parties. Subject to applicable Law, such prior notice shall also include (a) details of the Information intended to be disclosed along with the text of the disclosure language, if applicable; and (b) the disclosing Party shall also cooperate with the other Parties to the extent that such other Party may seek to limit such disclosure including taking all reasonable steps to resist or avoid the applicable requirement, at the request of the other Parties.

21.2 Nothing in this Clause 21 shall restrict any Party from disclosing Information for the following purposes:

- (i) To the extent that such Information is in the public domain other than by breach of this Agreement;
- (ii) To the extent that such Information is required to be disclosed by any applicable Law or required to be disclosed to any governmental authority to whose jurisdiction such Party is subject or with whose instructions it is customary to comply or by the Investor to its current or prospective investor, so long as such investor is bound by substantially similar confidentiality obligations;
- (iii) To the extent that any of such Information is/are later acquired by such Party from a source not obligated to any other Party hereto, or its Affiliates, to keep such Information confidential;
- (iv) The Investor shall have the right to disclose such Information to Third Parties for purposes of selling any of the Equity Securities held by the Investor to any prospective purchasers;

- (v) Insofar as such disclosure is reasonably necessary to such Party's employees, directors or professional advisers, provided that such Party shall procure that such employees, directors or professional advisers treat such Information as confidential. For the avoidance of doubt, it is clarified that disclosure of information to such employees, directors or professional advisers shall be permitted on a strictly "need-to-know basis";
 - (vi) To the extent that any of such Information was previously known or already in the lawful possession of such Party, prior to disclosure by any other Party hereto;
 - (vii) To the extent that any information, materially similar to the Information, shall have been independently developed by such Party without reference to any Information furnished by any other Party hereto; and
 - (viii) To the extent that any such Information is disclosed by any Party which has been constituted as a fund, to any of its existing or prospective investors, general partners or limited partners.
- 21.3 Any public release or public announcement (including any press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public) containing references to the Investor or the investment made by the Investor in the Company, shall require the prior written consent of the Investor. Any request for such prior written consent shall be made at least 2 (Two) weeks prior to any public release or announcement.

22. GOVERNING LAW

This Agreement and the relationship between the Parties shall be governed by, and interpreted in accordance with, the laws of India. Subject to Clause 23, the courts in New Delhi shall have exclusive jurisdiction over all matters arising pursuant to this Agreement.

23. DISPUTE RESOLUTION

23.1. Notice

In the event any Party is in breach of any of the terms of this Agreement, the other Party(ies) may serve written notice to require the Party in breach to cure such breach within 45 (forty five) Business Days of the receipt of such written notice thereof.

23.2. Amicable Resolution

In the case of any dispute or claim arising out of or in connection with or relating to this Agreement, or a breach (where such breach has not been cured by the Party in breach within 45 (forty five) Business Days of a written notice thereof) or invalidity hereof, the Parties shall attempt to first resolve such dispute or claim through discussions amongst each other.

23.3. Arbitration

If the dispute is not resolved through such discussions within 45 (forty five) Business Days, then such dispute shall be referred, at the request in writing of any Party to the dispute to and finally resolved by arbitration in accordance with the international arbitration rules of the Singapore International Arbitration Centre ("SIAC"), in force at the relevant time ("Rules") (which are deemed to be incorporated into this Agreement by reference). This Agreement and the rights and obligations of the Parties contained in this Agreement shall remain in full force and effect pending issuance of the award in such arbitration proceedings, which award, if appropriate, shall determine whether and when any termination of this Agreement shall become effective. The arbitration shall be by a panel of 3 (Three) arbitrators, each of whom shall be appointed by the SIAC and not by the Parties unless the parties mutually agree to appoint a common arbitrator.

- 23.4. The seat, or legal place of arbitration shall be Singapore and any award shall be treated as an award made at the seat of the arbitration. The venue of arbitration shall be New Delhi. The language to be used in the arbitral proceedings shall be English.
- 23.5. Any arbitral award rendered in accordance with this Clause 23 shall be enforceable by a court in New Delhi, including (if and to the extent determined by the arbitral tribunal) by injunctive relief or order for specific performance.

23.6. Good Faith

Each Party shall co-operate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.

23.7. Costs

Each Party to arbitration proceedings shall pay its own legal fees and expenses incurred in connection with the arbitration and the expenses of any witness produced by it. All other expenses of the arbitrators and the expenses of any witness or the cost of any proof produced at the request of the arbitrator shall be borne as determined by the SIAC.

23.8. Final and Binding

By agreeing to arbitration in accordance with this Clause 23, the Parties undertake to abide by and carry out any award promptly and any award shall be final and binding on the Parties.

23.9. Interim Relief

Nothing shall preclude either Party from seeking interim or permanent equitable or injunctive relief, or both, from a court in New Delhi.

24. **MISCELLANEOUS**

- 24.1 Waiver: No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorised representative of the waiving Party.
- 24.2 Cumulative Rights: All remedies of either Party under this Agreement whether provided herein or conferred by statute, civil law, common law, custom, trade, or usage are cumulative and not alternative and may be enforced successively or concurrently.
- 24.3 Notices: Notices, demands or other communication required or permitted to be given or made under this Agreement shall be in writing and delivered personally or sent by prepaid post with recorded delivery, or email addressed to the intended recipient at its address set forth below, or to such other address or email number as a Party may from time to time duly notify to the others:

(a) If to the **Company**:

- (i) Name : Akums Drugs & Pharmaceuticals Ltd.
- (ii) Address : 304, Mohan Place, L.S.C., Block-C, Saraswati Vihar, Delhi-34
- (iii) Attention : Sanjeev Jain, Sandeep Jain and Dharamvir Malik
- (iv) Email : sjain@akums.net, sandeep@akums.in and cs@akums.net

(b) If to the **Investor**:

- (i) Name : Ruby QC Investment Holdings Pte. Ltd.
- (ii) Address : 11A Stanley Street Singapore, 068730
- (iii) Attention : Dr. Amit Varma
- (iv) Email : amit.varma@quadriacapital.com
- (v) With copies to each email ID registered with the Company by the Investor.

(c) If to **Promoter 1**:

- (i) Name : Mr. Sanjeev Jain
- (ii) Address : E-1052, Saraswati Vihar, Delhi-110034
- (iii) Email : sjain@akums.net

(d) If to **Promoter 2**:

- (i) Name : Mr. Sandeep Jain
- (ii) Address : Plot No. 22, Sector – 6A, SIDCUL, Haridwar- 249403
- (iii) Email : sandeep@akums.in

24.4 Severability

- (i) Each and every obligation under this Agreement shall be treated as a separate obligation and shall be severally enforceable as such in the event of any obligation or obligations being or becoming unenforceable in whole or in part.
- (ii) 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 this Agreement are not altered.

24.5 Amendment/Variation: No amendment or variation of this Agreement shall be binding on any Party unless such variation is in writing and duly signed by all the Parties.



24.6 Taxes: Any payments payable to the Investor pursuant under this Agreement shall be deemed to have been given on an after Indian Tax basis, such that the amount payable to the Investor shall be calculated in such a manner as will ensure that, after taking into account any Indian Tax deducted or withheld from the payment under applicable Law of India, the Investor is in the same position as that in which it would have been if such Indian Tax had not been deducted or withheld.

24.7 No Assignment

(i) Subject to the provisions of this Agreement and except as may be permitted under this Agreement, the Company or the Promoters shall not be permitted to assign this Agreement to any Person (including Affiliates) without the prior written approval of the Investor. It is hereby clarified that the Promoters shall not be permitted to assign any of their obligations or management/governance rights under this Agreement, without the prior written approval of the Investor.

(ii) The Parties hereby agree that notwithstanding anything to the contrary in this Agreement, the Investor may, at its sole discretion, assign any of its rights under this Agreement to the Investor Transferee(s) in connection with a Transfer of Equity, provided that

(a) such Investor Transferee(s) shall execute a Deed of Adherence.

(b) It is hereby agreed that for the purposes of this Agreement, all the Equity Securities held by the Investor and the Investor Transferee from time to time, shall be treated as a single block and the Investor and the Investor Transferee(s) shall be entitled to all of the rights and shall be subject to all of the obligations of the 'Investor' under this Agreement, as a single block. In the event that the Investor ceases to hold the Equity Securities in the Company, the Investor Transferee(s) shall continue to be entitled to all of the rights of the 'Investor' under this Agreement (as a single block) and any references to Investor hereunder shall be deemed to include a reference to such Investor Transferee(s).

24.8 Conflict with Articles: In the event of any conflict between the terms of this Agreement and those of the Articles, as amongst the Parties hereto, and the Company, to the extent permitted by Law, the terms of this Agreement shall prevail over the Articles and the Parties shall take all such steps as are within their powers, to ensure that the terms and conditions of this Agreement are adhered to.

24.9 Superior Rights: The Company and the Promoters hereby agree that in the event any Person who invests in the Company is offered rights, including those relating to voting, dividends, transfer of Equity Securities, liquidation preference and further issues of Equity Securities, the Company and the Promoters shall undertake all acts as may be necessary to ensure that (a) the Investor continues to enjoy all rights granted under this Agreement to the Investor; and (b) the rights of the Investor towards the Affirmative Voting Matters and exit under Clause 8 shall remain unaffected and/or the exercise of such rights by the Investor will not require any consent of such new investor.

24.10 Entire Agreement

(i) This Agreement constitutes the whole agreement between the Parties relating to the subject matter hereof and supersedes any prior arrangements whether oral or written, relating to such subject matter.

(ii) No Party has relied upon any representation or warranty in entering into this Agreement other than those expressly contained herein.



24.11 Relationship

- (i) None of the provisions of this Agreement shall be deemed to constitute a partnership between the Parties hereto and no Party shall have any authority to bind or shall be deemed to be the agent of the other in any way.
- (ii) The Parties hereto have agreed that their respective rights and obligations with regard to their business relationship between them inter se and with the Company will be interpreted, acted upon and governed solely in accordance with the terms and conditions of this Agreement and the Articles.

24.12 Counterparts: This Agreement may be executed in any number of originals or counterparts, each in the like form and all of which when taken together shall constitute one and the same document, and any Party may execute this Agreement by signing any one or more of such originals or counterparts.

24.13 Further Assurance: The Parties agree to do all such further and other things (including exercising their voting rights), execute and deliver all such additional documents, to give full effect to the terms of this Agreement. The Parties undertake that they shall do or procure to be done all such further acts and things, execute or procure the execution of all such other documents and exercise all rights and powers, available to them in relation to any Person so as to ensure the complete observance and performance of the provisions of this Agreement and generally, that full effect is given to the provisions of this Agreement.

24.14 Where an exact number of shares of any class or series is specified in any provision of this Agreement for any purpose, such number shall be automatically and proportionally adjusted to account for any share splits, share dividends, recapitalizations, or like events affecting all Shareholders of that class and series.

24.15 Subsidiary

Unless stated otherwise, any and all rights available to the Investor in or with respect to the Company under the Transaction Documents, including, without limitation, the right under Clauses 3.2(i) and (ii), shall be also available to the Investor in the Company's Subsidiaries, applied *mutatis mutandis*, and the Company and Promoters shall procure that the Company's Subsidiaries comply with such related obligations.

The Company shall ensure that all of the rights, preferences and privileges of the Investor which are contained in this Agreement, including all management principles set out in this Agreement, shall be continuously made applicable to each of the future Subsidiaries of the Company and shall form part of the memorandum and articles of association or other charter documents of such Subsidiaries within the timelines provided under the Subscription & Purchase Agreement till such time the Investor holds any Equity Security in the Company.

24.16 Joint, Several and Shared liability

- (i) The Promoters and the Company shall be jointly and severally liable for all obligations under this Agreement that relate to the operations and conduct of business of the Company. The Investor agrees that if any proceedings against the Promoters are initiated for breach of such obligations, such proceedings shall also be jointly initiated against the Company. It is agreed that any payment by the Company in relation to any liability arising for a breach of such obligations shall constitute discharge of the Promoters in relation to such Claim to the extent of such payment.

- (ii) It is clarified that any obligation of the Promoters shared also with the Company under this Agreement shall not dilute the obligations / responsibilities / liabilities of the Promoters with regard to the same.

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

THE EXECUTION PAGE(S) OF THE SHAREHOLDERS AGREEMENT FOLLOW IMMEDIATELY AFTER THIS PAGE. THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

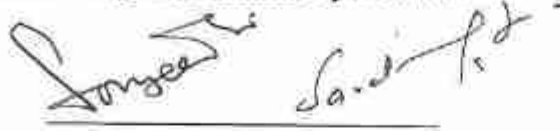


Signed and delivered for and on behalf of

Akums Drugs and Pharmaceuticals Limited

duly represented through its authorised representative

By :



Name :

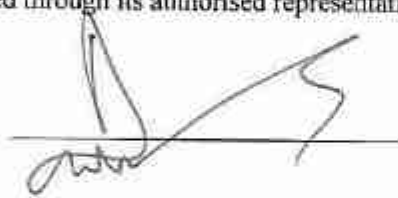
Title :

Signed and delivered for and on behalf of

Ruby QC Investment Holdings Pte. Ltd.

duly represented through its authorised representative

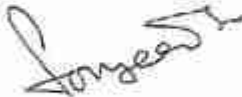
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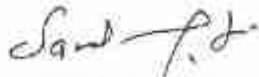
Name :

Title :

Signed and delivered by **Mr. Sanjeev Jain**



Signed and delivered by **Mr. Sandeep Jain**



(EXECUTION PAGE FOR THE SHAREHOLDERS' AGREEMENT)

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SCHEDULE 1: INITIAL BUSINESS PLAN

All Figures except ratios In INR Mn

Period Start	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23
Period Ending	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24
Total Revenue (Post intercompany)	24,244	28,908	36,614	47,491	59,610
COGS (Post intercompany)	15,319	18,049	22,523	28,913	35,720
Gross Profit	8,925	10,859	14,091	18,578	23,890
<i>Gross Margin (%)</i>	37%	38%	38%	39%	40%
Employee Cost	3,300	4,049	4,961	6,177	7,597
Promotion Expense	299	409	711	952	1,090
Selling & Distribution Expenses	98	128	183	250	309
Other Expenses	2,032	2,409	2,918	3,551	4,476
Power and Fuel Expenses	676	771	940	1,197	1,528
Repair and Maintenance Expenses	425	474	552	675	852
Consumption of stores and spares	245	284	321	341	471
Miscellaneous Expenses	682	881	1,105	1,339	1,625
Total indirect Cost	5,730	6,995	8,773	10,929	13,472
EBITDA	3,195	3,864	5,318	7,649	10,418
<i>EBITDA Margin (%)</i>	13.2%	13.4%	14.5%	16.1%	17.5%
Other Income	18	18	18	18	18
Depreciation and Amortization	884	1,014	1,151	1,353	1,598
EBIT	2,329	2,867	4,185	6,314	8,838
<i>% of Revenue</i>	10%	10%	11%	13%	15%
Finance Cost	227	242	328	405	389
PBT	2,102	2,625	3,857	5,909	8,449
<i>% of Revenue</i>	9%	9%	11%	12%	14%
Taxes	825	993	1,278	1,717	2,217
PAT	1,277	1,632	2,579	4,192	6,232
<i>% of Revenue</i>	5%	6%	7%	9%	10%

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Balance Sheet - Consolidated

All Figures except ratios in INR Mn

Period Start	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23
Period Ending	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24
Assets					
Non Current Assets					
Total Tangibles Assets	9,633	10,297	11,591	13,360	15,744
Total Intangibles Assets	104	88	73	62	79
Total Non Current Assets	9,736	10,385	11,664	13,422	15,823
Goodwill	-1,382	-1,285	-1,188	-1,003	-1,003
Investment in subsidiaries	122	122	122	122	122
Current Assets					
Inventories	4,084	4,884	6,207	8,086	10,226
Trade Receivables	4,617	5,711	7,483	9,925	12,509
Loans and Advances	827	1,028	1,349	1,797	2,330
Other Current Assets	67	100	144	192	231
Cash and cash equivalents	2,796	2,628	2,313	2,246	3,443
Total Current Assets	12,390	14,350	17,496	22,246	26,739
Total Assets	20,867	23,573	28,095	34,788	43,682
Equity and Liabilities					
Equity					
Equity share capital	3,012	3,012	3,012	3,012	3,012
Reserves and Surplus	10,444	12,076	14,655	18,847	25,079
Minority Interest	13	23	43	43	43
Total Equity	13,468	15,111	17,709	21,901	28,133
Liabilities					
Non Current Liabilities					
Borrowings	388	78	0	0	0
Other Financials Liabilities	12	12	12	12	12
Provisions- Non-Current	8	8	8	8	8
Total Non-Current Liabilities	408	98	20	20	20
Current Liabilities					
Borrowings	1,926	2,249	2,538	2,659	2,659
Trade Payables	2,980	3,573	4,530	5,886	7,389
Other Liabilities and provisions	1,539	1,996	2,646	3,518	4,487
Deferred Tax Liability	485	546	652	804	994
Total Current Liabilities	6,991	8,364	10,365	12,867	15,529
Total Equity and Liabilities	20,867	23,573	28,095	34,788	43,682

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Cash Flow Statement - Consolidated*All Figures except ratios in INR Mn*

Period Start:	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23
Period Ending:	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24
Profit Before Tax	2,102	2,625	3,857	5,909	8,449
Add: Depreciation	884	1,014	1,151	1,353	1,598
Add: Interest	227	242	328	405	389
Less: Change In Net Current Assets	525	1,076	1,749	2,437	2,634
Cash Flow from Operating Activities before Tax	2,688	2,806	3,587	5,230	7,801
Less: Taxes	825	993	1,278	1,717	2,217
Total Cash Flow from Operations (INR Mn)	1,863	1,812	2,308	3,513	5,585
Capex	3,634	1,663	2,430	3,111	3,999
Investment in Subsidiaries	0	0	0	0	0
Change in goodwill	-1,400	97	97	186	0
Change in minority interest	13	10	20	0	0
Total Cash Flow from Investing (INR Mn)	-2,222	-1,750	-2,507	-3,297	-3,999
Proceeds from Primary Equity Infusion	3,000	0	0	0	0
Proceeds from LT Borrowings	-387	-310	-78	0	0
Proceeds from ST Borrowings	232	322	289	121	0
Less: Interest Paid	227	242	328	405	389
Total Cash Flow from Financing	2,618	-229	-117	-284	-389
Cash Opening Balance	536	2,795	2,628	2,313	2,245
Net Cash Generated during yr.	2,259	-167	-315	-68	1,197
Cash Closing Balance	2,795	2,628	2,313	2,245	3,442

SCHEDULE 2: DEED OF ADHERENCE

THIS DEED OF ADHERENCE is made on {DATE} at {PLACE}

AMONG:

{Full details here} (hereinafter referred to as "the Covenantor" or the "TRANSFEREE") to whom shares of the Company have been transferred by {Full details here} ("THE TRANSFERRING SHAREHOLDER"); and

{Full details here} ("THE CONTINUING SHAREHOLDERS OF THE COMPANY"); and

<<>> of <<Registered Office of Company>> ("THE COMPANY")

THIS DEED IS SUPPLEMENTAL to the Shareholders Agreement ("Agreement") made on <<>>, 2019 of Agreement between the Company, Mr. Sanjeev Jain, Mr. Sandeep Jain and Ruby QC Investment Holdings Pte Ltd AND WITNESSES as follows:

The Covenantor hereby confirms that it has been supplied with a copy of the Agreement and the Articles of Association and hereby covenants with each of the Continuing Shareholders and the Company to observe, perform and be bound by the terms thereof as are specifically agreed in the Agreement which were applicable to the Transferring Shareholder and are capable of applying to the Covenantor to the intent and effect that the Covenantor shall be deemed with effect from the date on which the Covenantor is registered as a member of the Company to be a Party to the Shareholders Agreement. It is clarified that the obligations set out in Clauses 3.18 (i), 8.3, 8.4, 8.6, 8.7, 8.9, 8.10, 8.11, 8.13, 16.4, 16.7, 16.11, 16.15, 17, 20, 24.9 and 24.15 as applicable to the Promoter shall not be applicable to the Covenantor (in the event the Promoter is the Transferring Shareholder).

The Covenantor hereby covenants that it shall not do any act or commit any omission that derogates from the provisions of the Agreement or the Articles of Association of the Company.

This Deed shall be governed in all respect by the laws of India.

EXECUTED as a deed the day and year first before written.

Signed by :

1. Transferee
2. Transferor
3. Company



SCHEDULE 3: TERMS OF REFERENCE OF THE EXECUTIVE COMMITTEE

1. The Executive Committee shall, before the start of each Financial Year, review and approve the Annual Budget prepared by the management of the Company for that Financial Year.
2. The Executive Committee shall oversee the evaluation of Company's and its Subsidiaries' periodic (monthly / quarterly/ half yearly / yearly) performance to ensure achievement of the budget and goals, and recommend action points or corrective measures including any change to the Annual Budget to the Board;
3. The Executive Committee shall identify, review and approve the capital expenditure items which are not included in the Annual Budget for any Financial Year.
4. Any other business or strategic related matters.



SCHEDULE 4: PERMITTED ENTITIES

S. No.	Names and Details of Entities
1.	Akumentis Healthcare Limited Directorship : Sandeep Jain Shareholding: Majority (over 71%) by Sanjeev Jain & Sandeep Jain
2.	Cure Sure Pharma (Partnership firm) Partner – Akumentis Healthcare Ltd. (99.999%), Shashi Puri (0.001%)
3.	Welcure Pharmaceuticals Private Limited Directorship – Sanjeev Jain, Sandeep Jain Shareholding– Majority (99.84%) by Sanjeev Jain & Sandeep Jain, 0.06% by D.C. Jain J/w Sanjeev Jain / Sandeep Jain
4.	Subsidiaries of Welcure Pharmaceuticals Private Limited: a) Abbott Pharma Ltd. (100%) b) AUSL Pharma Partnership firm (40%)
5.	Directorship in all Companies in UK (Sanjeev Jain) a) May & Baker Pharma Ltd (1 share held by May & Baker) b) Nicholas Lifesciences Ltd (1 share held by Nicholas) c) Kakdal Researchtech Ltd. (1 share held by Sanjeev Jain)
6.	Welcure Drugs & Pharmaceuticals Limited (listed) Shareholding: Sanjeev ji 7.10%, Sandeep ji 15.06% Other Shareholder: D.C. Jain & other Family members Director : D.C. Jain
7.	Aleafiaa Pharmaceuticals Pvt. Ltd. Shareholding – Majority by Sanjeev Jain & Sandeep Jain
8.	Akum Impex LLP Designated Partners: Mrs. Lata Jain and Mrs. Archana Jain Partners: Shri Sanjeev Jain & Shri Sandeep Jain Contribution: Rs. 49,990/- by Shri Sanjeev Jain & Shri Sandeep Jain each; and Rs. 10/- Mrs. Lata Jain & Mrs. Archana Jain
9.	Akums Health & Education Society (Charitable Organization)
10.	Akums Foundation (Sec. 8 Company in process of Incorporation)



SCHEDULE 5 - AFFIRMATIVE VOTING MATTERS

For the purposes of this Schedule 5:

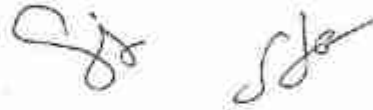
Group means the Company and its Subsidiaries.

Inter-Group Transaction means transactions between members of the Group

1. **Memorandum and Articles of Association:** Any amendments to the Memorandum of Association or the Articles of Association of the Company or its Subsidiaries (except to give effect to matters already contemplated under this Agreement).
2. **Change in registered office:** Any change in the registered office address of the Company or its Subsidiaries except within the same city limits;
3. **Re-structuring:** Merger, de-merger, corporate restructuring, liquidation, dissolution or winding-up of the Company or its Subsidiaries, or any insolvency proceedings or debt restructuring of the Company or its Subsidiaries;
4. **Business:** Any change in the name or the business of the Company or the business of the Subsidiaries, or the addition/acquisition/commencement of another business which is not included in the current business of the Company or the current business of the Subsidiaries, or the termination of the Business of the Company or the business of the Subsidiaries or any substantial part thereof;
5. **Assets:** Any sale, disposal, mortgage, pledge or encumbrance, lease or conveyance or transfer, license or sub-license of any of the Company's or its Subsidiaries' material assets (including all intellectual property rights of the Company or its Subsidiaries except license/sub-license in the ordinary course of business) or of all or substantially all of the business, goodwill, property and assets or equity or equity securities or other interest in the capital of any other company (including any securities exercisable for or convertible or exchangeable into such securities of the Company or its Subsidiaries) of the Company or its Subsidiaries exceeding in any Financial Year, in value, 10% (ten percent) of the written down value of the assets of the Company and its Subsidiaries (as a whole) as on the date of last date of audited consolidated financial accounts, except (a) pledge or encumbrance to banks and non-banking financial institutions in the ordinary course of business, or (b) sale of assets in the Inter-Group Transactions;
6. **Capital structure:** Any change in the authorized issued, subscribed equity or preference capital structure of the Company or its Subsidiaries or amendment thereof (including issuance of any securities by the Company or its Subsidiaries), or any re-organization or reclassification of the capital structure of the Company or its Subsidiaries, redemption, repurchase or buyback or other cancellation of any securities of the Company or its Subsidiaries or the creation of any subsidiary (except where such subsidiaries are set up as marketing or corporate offices outside India and any intermediate holding company and provided that each of such subsidiary(ies) is not capitalised for an amount not exceeding Rs. 20,00,00,000 (Indian Rupees Twenty Crores)) or joint venture, whether by acquisition of otherwise or modification to the terms of any joint venture, but excluding (a) issuance of Equity Securities by the Company in accordance with Clause 6 or (b) any issuance of securities by the Subsidiary to the Company;
7. **Share/securities classification:** Any changes in class rights for shares/securities by the Company or its Subsidiaries;
8. **Dividend:** Declaration of dividend;

9. **Employees:** a) Appointment of the key managerial personnel of the Company or its Subsidiaries (i.e. the C[X]Os and the company secretary; and b) the formulation and adoption of any employee stock option plan or any other stock purchase scheme and implementation or modification of any employee stock option plans or employee stock purchase scheme except any employee stock option plan or any other stock purchase scheme reserving up to 3% of the share capital of the Company/ Subsidiary; and c) terms of the agreement entered into with Mr. Sanjeev Jain and Mr. Sandeep Jain;
10. **Investments:** Making investments by the Company or its Subsidiaries by way of deposits, loans or advances or subscription to shares and debentures or acquisition of shares, debentures, warranties or bonds in any company or entity exceeding Rs. 20,00,00,000 (Indian Rupees Twenty Crores) in aggregate in any financial year, except: (A) bank deposits; (B) Inter-Group Transactions; (C) investment in Parabolic Drugs Limited by the Company for an aggregate consideration of not more than INR 1,500,000,000 (Rupees One Billion and Five Hundred Million); and (D) investment in Medibox Digital Solutions Private Limited for an aggregate consideration of not more than INR 150,000,000 (Indian Rupees One Hundred and Fifty Million);
11. **Borrowings:** Borrowings obtained by the Company or its Subsidiaries (secured or unsecured) and incurring any indebtedness or giving any guarantee (other than in the ordinary course of business) by the Company or its Subsidiaries exceeding INR 1,500,000,000 (Indian Rupees One Billion and Five Hundred Million) unless provided in the Annual Budget;
12. **Accounts:** Any material change to the existing accounting policies of the Company or its Subsidiaries or change in the accounting reference date of the Company or its Subsidiaries other than for fulfilment of statutory requirements.
13. **Third party guarantees/loans:** Providing guarantees on behalf of any Third Parties or making any loans to any Third Parties (excluding loans to or guarantees on behalf of any Subsidiaries and associates) or amendment of the terms of any existing loans guarantees or other financing obligations exceeding Rs. 5,00,00,000 (Indian Rupees Five Crores) wherein such guarantees or loans are in furtherance of the Business; it being clarified that all guarantees and loans not in furtherance of the Business shall require approval;
14. **Related party transactions:** Any new transactions, material or otherwise, with any related party of the Company or its Subsidiaries or the Promoters and granting any loans to any director or his/her Affiliates. It is clarified that the following transactions would not be considered as related party transactions:
- (a) Payments made to Mr. Sanjeev Jain and Mr. Sandeep Jain under their respective employment agreements;
 - (b) Payments made under the lease agreements between the (i) Group *inter se*, (ii) Group and the Promoters, (iii) Group and Promoter's Relatives, as listed in Exhibit 1;
 - (c) Transactions in the ordinary course of business and at an arm's length as per proviso 3 of Section 188(1) of the Act with Sarvagunaushdhi and Akumentis;
 - (d) Transactions not exceeding INR 3,00,00,000 (Indian Rupees Three Crores) in any Financial Year on an arm's length basis with any related party;
 - (e) Inter-Group Transactions;

- (f) Payments made to parents of the Promoters under consultancy or employment agreements, if any, not exceeding INR 1,20,00,000 (Indian Rupees One Crore Twenty Lakh) in any Financial Year.
15. **Auditor:** Any change or appointment of the statutory auditors of the Company or its Subsidiaries;
16. **IPO:** Making of any IPO including a Qualified IPO of the Company or its Subsidiaries and appointment of any intermediaries, consultants or advisors in that regard;
17. **Annual Budget:** Approval of the Annual Budget of the Company or its Subsidiaries and any overall deviations in expenditure from the Annual Budget of more than 20% (Twenty Percent); and
18. **Litigation:** Commencement, termination or settlement of any claim, legal or Tax proceedings by the Company or its Subsidiaries involving a subject matter in excess of Rs. 100,000,000 (Indian Rupees One Hundred Million) (in case of settlement/termination) and Rs. 500,000,000 (Indian Rupees Five Hundred Million) (in case of commencement).



LIST OF LEASE AGREEMENTS

S. No.	Lessee	Lessor	Premises
1.	Company	Mr. Sanjeev Jain	304, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
2.	Company	Mr. Sandeep Jain	Plot No. K-149, Shivalik Nagar, B.H.E.L., Haridwar, Uttarakhand
3.	Company	Mr. Sandeep Jain	302, 3 rd Floor, Laxmi Tower-II, C-Block, Local Shopping Complex, Saraswati Vihar, Delhi-110034
4.	Company	Mr. Sandeep Jain	4 th Floor, Laxmi Tower-II, C-Block, Local Shopping Complex, Saraswati Vihar, Delhi-110034
5.	Company	Mr. Sandeep Jain	B-9 & 10, Laxmi Tower-II, C-Block, Local Shopping Complex, Saraswati Vihar, Delhi-110034
6.	Company	Mr. Sandeep Jain	B-11, Laxmi Tower-II, C-Block, Local Shopping Complex, Saraswati Vihar, Delhi-110034
7.	Company	Mr. Sanjeev Jain	B-2, Laxmi Tower-II, C-Block, Local Shopping Complex, Saraswati Vihar, Delhi-110034
8.	Company	Mr. Sanjeev Jain	B-3, Laxmi Tower-II, C-Block, Local Shopping Complex, Saraswati Vihar, Delhi-110034
9.	Company	Mr. Sanjeev Jain	B-6, Laxmi Tower-II, C-Block, Local Shopping Complex, Saraswati Vihar, Delhi-110034
10.	Company	Mr. Sanjeev Jain	301, 302, 303, 304, 305, 3 rd Floor Vardhman Avon Shopping Plaza, Plot No. 2, I.S.C., Block-C, Saraswati Vihar, Delhi - 110034
11.	Company	Mr. Sanjeev Jain	210, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi-110034
12.	Company	Mr. Sandeep Jain	301, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi-110034
13.	Company	Mr. Sanjeev Jain	302, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi-110034
14.	Company	Mr. Sandeep Jain	303, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi-110034
15.	Company	Mr. Sandeep Jain	307, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi-110034
16.	Company	Mr. Sandeep Jain	308, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi-110034
17.	Company	Mr. Sanjeev Jain	309, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi-110034
18.	Pure	Mr. D. C. Jain	305, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
19.	Pure	Mr. Sanjeev Jain	Flat no. 101, 102, 103, 104 & 105, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
20.	Pure	Mr. Sandeep Jain	Flat no. 106, 107, 108, 109 & 110, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
21.	Maxcure	Mr. Sandeep Jain	B-7, Laxmi Towers - II, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
22.	Maxcure	Company	Plot No. 6, Sector 6B, IIE, SIDCUL, Ranipur, Haridwar, Uttarakhand, 249403

23.	Maxcure	Mr. Niranjn Kumar Singh, a duly constituted power of attorney of Mr. Sanjeev Jain	Room No. 3, 1 st Floor, Ganga One, Sant Kirpal Ashram, Dev Nagar, Shivalik Nagar, Haridwar, Uttarakhand, 249403.
24.	Maxcure	Mr. Sandeep Jain	301, 3rd Floor, 1 of 6th Area, Laxmi Tower-II, C-Block, Local Shopping Complex, Saraswati Vihar, Delhi-110034
25.	Maxcure	Mrs. Lata Jain	209, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi-110034
26.	Malik	Company	Plot No. 16, NH-58, Vardhaman Industrial Estate, Bahadurpur, Saini, Roorkee, Haridwar, India
27.	Malik	Mr. Sandeep Jain	301, 3 rd Floor, Laxmi Towers, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
28.	Malik	Mrs. Archana Jain	207 and 208, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
29.	Upadhrish	Mr. Sandeep Jain	4 th Floor, Laxmi Towers-II, Plot No. 3, Local Shopping Complex, Saraswati Vihar, Delhi
30.	Amazing	Mr. Sandeep Jain	B-8, Laxmi Towers - II, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
31.	Amazing	Mr. Sandeep Jain	109, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
32.	Amazing	Company	Khasra No. 50 & 51, Narela Road, Kundli, Sonipat, Haryana
33.	Amazing	Mr. Sandeep Jain	301, 3 rd Floor, Laxmi Tower-II, C-Block, Local Shopping Complex, Saraswati Vihar, Delhi - 110034
34.	AVHA	Mr. Sanjeev Jain	201, 2 nd Floor, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
35.	AVHA	Company	Khasra No 50 & 51, Narela Road, Kundli, Sonipat, Haryana
36.	Delcure	Mr. Sanjeev Jain	303, 3 rd Floor, Vardhaman Avon Shopping Plaza, Plot 2, L.S.C., C-Block, Saraswati Vihar, Delhi - 110034
37.	Delcure	Mr. Sanjeev Jain	B-3, Laxmi Towers-II, C-Block, Local Shopping Complex, Saraswati Vihar, Delhi- 110034
38.	May and Baker	Mr. Sandeep Jain	B-7, Laxmi Towers - II, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
39.	May and Baker	Company	Khasra No. 50 & 51, Narela Road, Kundli, Sonipat, Haryana
40.	May and Baker	Mr. Sandeep Jain	301, 3 rd Floor, Laxmi Tower-II, C-Block, Local Shopping Complex, Saraswati Vihar, Delhi-110034
41.	Plenteous	Mr. Sanjeev Jain	B-4 and B-5, Laxmi Towers-II, Local Shopping Complex, Saraswati Vihar, Delhi- 110034
42.	Plenteous	Mr. Sandeep Jain	301, 3 rd Floor, Laxmi Tower-II, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi-110034
43.	Plenteous	Mr. Sanjeev Jain	210, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi - 110034
44.	Plenteous	Company	Khasra No. 50 & 51, Narela Road, Kundli, Sonipat, Haryana

45.	Unosource	Mr. D.C. Jain	305, 3 rd Floor, Plot No. 5, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi – 110034
46.	Unosource	Mr. Sanjeev Jain & Mr. Sandeep Jain	Unit Nos. 503, 504 and 8 (eight) car parking spaces, 5 th Floor, Hubtown Solaris, N.S. Wadke Marg, Teli Galli, Andheri East Mumbai 400069
47.	Unosource	Mr. Niranjn Kumar Singh, a duly constituted power of attorney of Mr. Sanjeev Jain	Room No. 1, 2 nd Floor, Ganga One, Sant Kripal Ashram, Near Prabhu School, Dev Nagar, Shivalik Nagar, Haridwar
48.	Nicholas	Company	401, Local Shopping Complex, C-Block, Mohan Place, Saraswati Vihar, Delhi – 110034
49.	Nicholas	Niranjn Kumar Singh, a duly constituted power of attorney of Mr. Sanjeev Jain	Room No.2, Ground Floor Ganga One, Sant Kripal Ashram, Near Prabhu School, Dev Nagar, Shivalik Nagar, Haridwar
50.	Abbott Pharma	Mr. Sanjeev Jain	303, Third Floor Vardhman Avon Shopping Plaza, Plot No. 2, L.S.C., Block-C, Saraswati Vihar, Delhi – 110034
51.	AUSL Pharma	Mr. Sanjeev Jain	105 Part, Mohan Place, Local Shopping Complex, C-Block, Saraswati Vihar, Delhi – 110034

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ANTI-CORRUPTION GUIDELINES

The purpose of these Guidelines is to clarify the meaning of the terms "Corrupt Practice", "Fraudulent Practice", "Coercive Practice", "Collusive Practice" and "Obstructive Practice" in the context of IFC operations.

1. Corrupt Practices

A "Corrupt Practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.

Interpretation

- A. Corrupt practices are understood as kickbacks and bribery. The conduct in question must involve the use of improper means (such as bribery) to violate or derogate a duty owed by the recipient in order for the payor to obtain an undue advantage or to avoid an obligation. Antitrust, securities and other violations of law that are not of this nature are excluded from the definition of corrupt practices.
- B. It is acknowledged that foreign investment agreements, concessions and other types of contracts commonly require investors to make contributions for bona fide social development purposes or to provide funding for infrastructure unrelated to the project. Similarly, investors are often required or expected to make contributions to bona fide local charities. These practices are not viewed as Corrupt Practices for purposes of these definitions, so long as they are permitted under local law and fully disclosed in the payor's books and records. Similarly, an investor will not be held liable for corrupt or fraudulent practices committed by entities that administer bona fide social development funds or charitable contributions.
- C. In the context of conduct between private parties, the offering, giving, receiving or soliciting of corporate hospitality and gifts that are customary by internationally accepted industry standards shall not constitute corrupt practices unless the action violates Applicable Law.
- D. Payment by private sector persons of the reasonable travel and entertainment expenses of public officials that are consistent with existing practice under relevant law and international conventions will not be viewed as Corrupt Practices.
- E. The World Bank Group¹ does not condone facilitation payments. For the purposes of implementation, the interpretation of "Corrupt Practices" relating to facilitation payments will take into account relevant law and international conventions pertaining to corruption.

2. Fraudulent Practices

A "Fraudulent Practice" is any action or omission, including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

Interpretation

- A. An action, omission, or misrepresentation will be regarded as made recklessly if it is made with reckless indifference as to whether it is true or false. Mere inaccuracy in such information, committed through simple negligence, is not enough to constitute a "Fraudulent Practice" for purposes of this Agreement.

¹ The "World Bank" is the International Bank for Reconstruction and Development, an international organization established by Articles of Agreement among its member countries and the "World Bank Group" refers to the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, and the International Centre for Settlement of Investment Disputes.

B. Fraudulent Practices are intended to cover actions or omissions that are directed to or against a World Bank Group entity. It also covers Fraudulent Practices directed to or against a World Bank Group member country in connection with the award or implementation of a government contract or concession in a project financed by the World Bank Group. Frauds on other third parties are not condoned but are not specifically sanctioned in IFC, MIGA, or PRG operations. Similarly, other illegal behavior is not condoned, but will not be considered as a Fraudulent Practice for purposes of this Agreement.

3. Coercive Practices

A "Coercive Practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

Interpretation

- A. Coercive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.
- B. Coercive Practices are threatened or actual illegal actions such as personal injury or abduction, damage to property, or injury to legally recognizable interests, in order to obtain an undue advantage or to avoid an obligation. It is not intended to cover hard bargaining, the exercise of legal or contractual remedies or litigation.

4. Collusive Practices

A "Collusive Practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.

Interpretation

Collusive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.

5. Obstructive Practices

An "Obstructive Practice" is (i) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making of false statements to investigators, in order to materially impede a World Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice, and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) an act intended to materially impede the exercise of IFC's access to contractually required information in connection with a World Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice.

Interpretation

Any action legally or otherwise properly taken by a party to maintain or preserve its regulatory, legal or constitutional rights such as the attorney-client privilege, regardless of whether such action had the effect of impeding an investigation, does not constitute an Obstructive Practice.

General Interpretation

A person should not be liable for actions taken by unrelated third parties unless the first party participated in the prohibited act in question.

