

Non Judicial



**Indian-Non Judicial Stamp
Haryana Government**



Date : 20/12/2024

Certificate No. G0T2024L2238



GRN No. 125475624



Stamp Duty Paid : ₹ 101
(Rs. Only)

Penalty : ₹ 0
(Rs. Zero Only)

Seller / First Party Detail

Name: Ethereal house pvt ltd

H.No/Floor : 44/gf

Sector/Ward : 32

LandMark : Na

City/Village : Gurugram

District : Gurugram

State : Haryana

Phone: 99*****99



Buyer / Second Party Detail

Name : Bluestone jewellery and Lifestyle limited

H.No/Floor : Na

Sector/Ward : Na

LandMark : Na

City/Village: Bengaluru

District : Bengaluru

State : Karnataka

Phone : 99*****99

Purpose : AGREEMENT

The authenticity of this document can be verified by scanning this QrCode Through smart phone or on the website <https://egrashry.nic.in>

Non Judicial



**Indian-Non Judicial Stamp
Haryana Government**



Date : 20/12/2024

Certificate No. G0T2024L2237



GRN No. 125475624



Stamp Duty Paid : ₹ 101

(Rs. Only)

Penalty : ₹ 0

(Rs. Zero Only)

Seller / First Party Detail

Name: Ethereal house pvt ltd

H.No/Floor : 44/gf

Sector/Ward : 32

LandMark : Na

City/Village : Gurugram

District : Gurugram

State : Haryana

Phone: 99*****99



Buyer / Second Party Detail

Name : Bluestone jewellery and Lifestyle limited

H.No/Floor : Na

Sector/Ward : Na

LandMark : Na

City/Village: Bengaluru

District : Bengaluru

State : Karnataka

Phone : 99*****99

Purpose : AGREEMENT

The authenticity of this document can be verified by scanning this QrCode Through smart phone or on the website <https://egrashry.nic.in>

Non Judicial



**Indian-Non Judicial Stamp
Haryana Government**



Date : 20/12/2024

Certificate No. G0T2024L2249



GRN No. 125475624



Stamp Duty Paid : ₹ 101
(Rs. Only)

Penalty : ₹ 0

(Rs. Zero Only)

Seller / First Party Detail

Name: Ethereal house pvt ltd

H.No/Floor : 44/gf

Sector/Ward : 32

LandMark : Na

City/Village : Gurugram

District : Gurugram

State : Haryana

Phone: 99*****99



Buyer / Second Party Detail

Name : Bluestone jewellery and Lifestyle limited

H.No/Floor : Na

Sector/Ward : Na

LandMark : Na

City/Village: Bengaluru

District : Bengaluru

State : Karnataka

Phone : 99*****99

Purpose : INDEMNITY BOND

The authenticity of this document can be verified by scanning this QrCode Through smart phone or on the website <https://egrashry.nic.in>

SHAREHOLDERS' AGREEMENT

ETHEREAL HOUSE PRIVATE LIMITED

SHAREHOLDERS' AGREEMENT

This **SHAREHOLDERS' AGREEMENT** ("Agreement") is entered into at Gurgaon on 6th day of January 2025, by and amongst:

1. **Ethereal House Private Limited**, (CIN: U32111HR2024PTC124350); (PAN: AAICE3642D) a private limited company incorporated and existing under the laws of India with its registered office at Plot No. 44, Ground Floor, Sector -32, DLF QE, Gurgaon, Haryana, 122002 (hereinafter referred to as the "**Company**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns). Particulars of the Company are set forth in **Part A of Schedule 1**;
2. **Sharad Arora** (PAN: AHMPA8599D), son of Surinder Mohan Arora, residing at Villament 140204, Shriram Chirping Woods, 12th Main, Shubh Enclave, Harlur Road, Bengaluru - 560102 (hereinafter referred to as "**Founder A**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his administrators, legal heirs, representatives and permitted assigns). Particulars of Founder A are set forth in **Part B of Schedule 1**;
3. **Nitesh Jain** (PAN: AVVPJ8471E), son of Rajesh Jain, residing at 303 Westblock, R.J Gardens, Eshwaralayout, Indiranagar, Bengaluru, Karnataka, 560038 (hereinafter referred to as "**Founder B**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his administrators, legal heirs, representatives and permitted assigns). Particulars of Founder B are set forth in **Part B of Schedule 1**; and
4. **Bluestone Jewellery and Lifestyle Limited**, (CIN: U72900KA2011PLC059678); (PAN: AADCN6881C) a company incorporated under the Companies Act, 1956 and having its registered office at Site No. 89/2 Lava Kusha Arcade Munnekolal Village, Outer Ring Road, Marathahalli, Bengaluru, 560037 (hereinafter referred to as the "**Investor**", which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns). Particulars of the Investor are set forth in **Part C of Schedule 1**.

Founder A and Founder B shall hereinafter be individually referred to as "**Founder**" and collectively referred to as "**Founders**". The Company, the Investor and the Founders shall hereinafter be collectively referred to as the "**Parties**" and each individually as a "**Party**".

RECITALS:

- A. The Company is engaged in the Business (*defined below*).
- B. The authorised, issued, subscribed and paid-up share capital of the Company as on Execution Date is set forth in **Part A of Schedule 1**.
- C. Simultaneously with the execution of this Agreement, the Company, the Investor and the Founders have executed the Share Subscription Agreement (*defined below*) pursuant to which agreement, the Investor has agreed to invest the Subscription Amount (*defined below*) into the Company to subscribe to the Subscription Shares (*defined below*).
- D. The Parties are entering into this Agreement to record their mutual understanding, *inter alia*, in relation to their *inter se* rights and obligations as shareholders of the Company, the management of the Company and certain other matters in relation to the conduct of the Company's Business.

IN CONSIDERATION OF THE MUTUAL COVENANTS, REPRESENTATIONS, WARRANTIES AND AGREEMENTS SET FORTH HEREIN, AND FOR OTHER GOOD AND

**VALUABLE CONSIDERATION THE SUFFICIENCY OF WHICH IS HEREBY
ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:**

1. DEFINITIONS AND INTERPRETATION

Defined Terms: In this Agreement, the following terms and their cognate words and expressions, shall, unless inconsistent with the context, bear the meanings assigned below. Words and expressions defined in the other parts of this Agreement, when defined for use in bold letters and enclosed within quotes (“”) shall, unless the context requires otherwise, have the same meanings throughout the Agreement. The rules of interpretation set forth in **Schedule 4** shall, unless the context requires otherwise, apply to this Agreement.

- 1.1. “**ABAC Laws**” has the meaning ascribed to it in Clause 15.6.
- 1.2. “**Act**” means the Companies Act, 2013, rules and regulations prescribed thereunder, including but not limited to all amendments, modifications and re-enactments of the foregoing.
- 1.3. “**ACI Drop Date**” has the meaning ascribed to it in Clause 6.5.
- 1.4. “**ACI Funding Notice**” has the meaning ascribed to it in Clause 6.5.
- 1.5. “**Additional Capital Infusion**” has the meaning ascribed to it in Clause 6.1.
- 1.6. “**Affiliate**”, with respect to: (a) a Person (other than an individual), means any Person who, directly or indirectly, Controls, is Controlled by or is under common Control with such Person; and (b) a Person (who is an individual), means any Person who is Controlled by or is under common Control with the individual, Relative(s) of such individual and a Person who is Controlled by or in under common Control with such individual and/or Relatives of such individual.
- 1.7. “**Aggregate Grace Period**” has the meaning ascribed to it in Clause 6.2.
- 1.8. “**Agreement**” means this Shareholders’ Agreement and shall include all the schedules, annexures and exhibits hereto.
- 1.9. “**Applicable Law**” means and includes all applicable statutes, enactments, acts of legislature or parliament, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, or other governmental restrictions or any similar form of decision of, or determination by any Governmental Authority.
- 1.10. “**Articles**” means the articles of association of the Company, as amended, modified or supplemented from time to time in accordance with Applicable Law and this Agreement.
- 1.11. “**As If Converted Basis**” means a calculation assuming that the Dilution Instruments existing at the time of determination, which are entitled to conversion or exercise, have been exercised or converted into Equity Shares, excluding any Stock Options issued, granted or reserved for issuance or grant under any Stock Option Plan or any similar plan/ scheme, by whatever name called.
- 1.12. “**Assets**” means assets or properties of every kind, nature, character, and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed, or otherwise), including cash, cash equivalents, receivables, real estate, plant and machinery, equipment, Proprietary Rights, raw materials, inventory, furniture, fixtures, and insurance.

- 1.13. “**Big 4 Accounting Firm**” means, in each case, the Indian affiliate of Deloitte Touche Tohmatsu, EY (*formerly known as Ernst & Young*), PWC (*formerly known as PricewaterhouseCoopers*) or KPMG.
- 1.14. “**Big 4 FMV**” has the meaning ascribed to it in Clause 9.1.
- 1.15. “**Board**” means the board of Directors of the Company, as constituted from time to time.
- 1.16. “**Business**” means the business of manufacturing, processing, procuring, trading, marketing and sale of all kinds of precious and semi-precious stones such as diamonds, carbon stone / lab grown diamonds, sapphires, emerald, pearls and rubies, and related ornaments and jewellery products made in the combination of gold, silver, platinum, or other metals, and alloys thereof, conducted by the Company (whether through itself or its Controlled entities) through its website, mobile application, offline stores and other distribution channels, and such other business carried out from time to time.
- 1.17. “**Business Day**” means any day other than Saturday, Sunday or any day on which banks in Haryana and Bengaluru, India are generally closed for regular banking business.
- 1.18. “**Business Plan**” means the business and operating plan and budget adopted by the Company, from time to time, in accordance with this Agreement.
- 1.19. “**Called Shares**” has the meaning ascribed to it in Clause 9.3.
- 1.20. “**Call Option**” has the meaning ascribed to it in Clause 9.1.
- 1.21. “**Call Option Notice**” has the meaning ascribed to it in Clause 9.3.
- 1.22. “**Change of Control Transaction**” shall mean a single or a series of related transactions which results in a Person or a group of Persons acting together acquiring Control of the Company, who did not exercise such Control prior to such transaction(s), except where such acquisition of Control is pursuant to any Specified Actions.
- 1.23. “**Charter Documents**” means and includes the Memorandum and the Articles.
- 1.24. “**Claim**” means, in relation to a Party, any demand, claim, action, dispute, investigation, enquiry or proceeding brought against a Party, however arising and whether present, unascertained, immediate, future or contingent.
- 1.25. “**Closing**” and “**Closing Date**” shall have the meanings assigned to it in the Share Subscription Agreement.
- 1.26. “**Competitor**” means any Person competing with the Business of the Company and/or the business of the Group, from time to time, including each of the Persons listed in **Schedule 7** (and their respective Affiliates) operating such brands set out in **Schedule 7**, as may be updated Parties from time to time.
- 1.27. “**Compliance Officer**” has the meaning ascribed to it in Clause 4.3.
- 1.28. “**Control**” including its correlative terms such as “**Controlled by**” or “**under common Control with**” means the satisfaction of any of the following: (a) the power to elect more than half of the directors or management by whatever name called with respect to a Person; or (b) the possession of shareholding or voting interest in excess of 50% (fifty per cent) in a Person.
- 1.29. “**D&O Policy Coverage Period**” has the meaning ascribed to it in Clause 4.12.

- 1.30. **“Deed of Adherence”** means the deed of adherence incorporating the applicable principles set out in **Schedule 3**.
- 1.31. **“Dilution Instruments”** means any Equity Shares and securities, rights, options, warrants or arrangement (whether oral or in writing) which are convertible into or entitle the holder to acquire or receive any Equity Shares, or any rights to subscribe to Shares or securities by their terms convertible into or exchangeable for Equity Shares; excluding any arrangement (whether oral or in writing) binding the Company pursuant to which a bank or a financial institution is entitled to convert any amount due to it into Equity Shares upon default by the Company.
- 1.32. **“Director”** means a director of the Company from time to time including any duly appointed alternate Director.
- 1.33. **“Director Indemnity Period”** has the meaning ascribed to it in Clause 4.4.
- 1.34. **“Dispute”** has the meaning ascribed to it in Clause 18.15.
- 1.35. **“Drag Along Notice”** has the meaning ascribed to it in Clause 10.2.
- 1.36. **“Drag Along Rights”** has the meaning ascribed to it in Clause 10.1.
- 1.37. **“Drag Along Shares”** has the meaning ascribed to it in Clause 10.1.
- 1.38. **“Dragged Shareholders”** has the meaning ascribed to it in Clause 10.1.
- 1.39. **“EBITDA”** means earnings before interest, taxes, depreciation, and amortization. For the avoidance of doubt, earnings will be computed after taking into account any lease rental expenses.
- 1.40. **“EBITDA Margin”** means EBITDA (as defined above) divided by net revenue (as per applicable accounting standards).
- 1.41. **“Encumbrance”** (including its correlative term **“Encumber”**) means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any kind securing, conferring any priority of payment, 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, right to revenue, profits or consideration, pre-emptive rights, right of first offer, refusal or transfer restriction in favour of any Person; and (iii) any adverse claim as to title, possession or use. Provided that, Encumbrance shall exclude the restrictions under this Agreement and the Articles.
- 1.42. **“Equity Shares”** means equity shares of face value of INR 10/- (Indian Rupee Ten Only) each in the equity share capital of the Company, as may be consolidated or sub-divided from time to time.
- 1.43. **“Excluded Issuance”** means the issuances of Dilution Instruments by the Company pursuant to: (a) a Public Offer; (b) issuance or exercise of Stock Options under a Stock Option Plan; (c) conversion of any category of Dilution Instruments into Equity Shares; (d) any consolidation or sub-division, share split, of Dilution Instruments (in each case, in respect of which appropriate adjustment is made to the number of Equity Shares issuable upon conversion of the Dilution Instruments, where applicable); (e) bonus issuance approved by the Investor; and (f) Dilution Instruments issued or granted in order for the Company to comply with its obligations under the anti-dilution provisions.

- 1.44. “**Execution Date**” means the date first above mentioned in this Agreement notwithstanding that some of the Parties may execute this Agreement after such date.
- 1.45. “**Expected ACI Period**” has the meaning ascribed to it in Clause 6.5.
- 1.46. “**FCPA**” has the meaning ascribed to it in Clause 15.6.
- 1.47. “**FDI Policy**” has the meaning ascribed to it in Clause 15.8.
- 1.48. “**FEMA**” has the meaning ascribed to it in Clause 15.8.
- 1.49. “**Financial Year**” shall, subject to Applicable Law, mean the year commencing on the first day of April, and ending on the last day of March of the next calendar year. Provided in respect of the year of incorporation, the date of incorporation shall be deemed to be the first day of the year and the year shall end on the immediately following March 31st.
- 1.50. “**First Adjourned Meeting**” has the meaning ascribed to it in Clause 4.7.
- 1.51. “**Founder Employment Agreements**” shall mean the employment agreements to be executed by the Founders with a Group Company in the form approved by the Investor, as may be amended from time to time.
- 1.52. “**Founder Family Trust**” with respect to a Founder, means a trust formed under the laws of India, where: (a) the Founder’s Immediate Family Members are the only beneficiaries of such trust, and (b) the Founder is the sole trustee (unless legally restrained under Applicable Law) and exercises control over management of the trust and has the power to exercise all rights (including voting rights) that the Founder Family Trust has as a shareholder of the Company. If the Founder legally restrained from becoming the trustee as per Applicable Law, then one of the Immediate Family Members shall be the sole trustee of the Founder Family Trust.
- 1.53. “**Fully Diluted Basis**” means a calculation assuming that all the Dilution Instruments existing at the time of determination have been exercised or converted into Equity Shares.
- 1.54. “**Governmental Authority**” means any national, state, municipal (or equivalent) governments (including political sub-classes/ sub-divisions thereof), statutory authority, government department, agency, commission, board, tribunal, court, arbitrator, stock exchanges, any administrative, judicial or regulatory authority or other entity authorized to make laws in the jurisdictions where any of the Parties are incorporated or undertake business or are subject to.
- 1.55. “**Grace Period**” has the meaning ascribed to it in Clause 6.2.
- 1.56. “**Group**” shall mean the Company and other entities Controlled by the Company, and “**Group Company**” refers to any entity forming part of the Group.
- 1.57. “**Holder**” means a Person who is a holder of Dilution Instruments but excluding Equity Shares.
- 1.58. “**Immediate Family Members**” mean, with respect to an individual Person, such Person’s spouse, children, mother and father.
- 1.59. “**Inspection Rights**” has the meaning ascribed to it in Clause 3.2.
- 1.60. “**Interim Loan**” has the meaning ascribed to it in Clause 6.5.
- 1.61. “**Investor Alternate Director**” has the meaning ascribed to it in Clause 4.2.

- 1.62. **“Investor Directors”** has the meaning ascribed to it in Clause 4.2.
- 1.63. **“Liquidity Event”** means (a) liquidation, dissolution or winding up (whether voluntary or involuntary) of the Company; (b) a merger, de-merger, acquisition, consolidation or a restructuring arrangement in relation to the Company where Shareholders (prior to such transaction) will not retain a majority of the ownership or voting power of the surviving entity (on a fully diluted basis) or of the Company (on a Fully Diluted Basis), after such transaction; or (c) a Change of Control Transaction; or (d) a sale, lease, exclusive license or other Transfer of all or substantially all the Assets of the Group.
- 1.64. **“Liquidation Preference Amount”** shall, with respect to each Series A1 CCPS, mean the issue price per such Series A1 CCPS (*i.e.*, par value plus premium paid), plus accrued and / or declared but unpaid dividends on such Series A1 CCPS.
- 1.65. **“Liquidity Shares”** shall, in relation to a Founder, mean 20% (Twenty percent) of the Equity Shares held by such Founder as of the Execution Date (*i.e.*, 2,000 Equity Shares).
- 1.66. **“Listing Regulations”** has the meaning ascribed to it in Clause 3.1.
- 1.67. **“Lock-In Period”** has the meaning ascribed to it in Clause 7.2.
- 1.68. **“Material Breach”** shall mean:
- (a) an act constituting any fraud, theft, embezzlement or misappropriation committed by the Founder in respect of any Group Company and/or its Assets;
 - (b) any material breach of material provisions of this Agreement by the Founder;
 - (c) any material breach of the material provisions of the Founder Employment Agreement and/or any of the material Company policies by the Founder;
 - (d) any FIR (First Information Report) being filed against the Founder and such FIR has not been quashed / withdrawn within a period of 90 (ninety) days from the date of such FIR for committing any offence involving moral turpitude; or violating anti-bribery law, anti-corruption laws, laws relating to terrorism financing, laws relating to financial and economic sanctions and trade embargoes and/or laws prohibiting sexual harassment; or offence having an imprisonment of (3) three years or more;
 - (e) any imprisonment of the Founder (for any offence whatsoever) where no bail has been granted to the Founder within 90 (ninety) days from the date of imprisonment;
 - (f) any wilful misconduct or gross negligence by the Founder in relation to the business and affairs of any Group Company;
 - (g) any wilful act or deliberate omission by the Founder which results directly or indirectly in a breach of Applicable Law by any Group Company, its business or any portion thereof, which breach has not been cured, within 30 (thirty) days after notice of such breach;
 - (h) resignation of the Founder from the employment of the Company prior to the expiry of 10 (ten) years from the Closing Date, for reasons other than death or permanent disability; and/or
 - (i) the filing of any application or taking any actions for initiation of application of an insolvency petition by the Founder or an application or petition for insolvency of the Founder being admitted for resolution.

For the purpose of clause (f) and (g) above, no act or omission by the Founder will be considered as a wilful misconduct or gross negligence if such act, transaction or omission has been committed by the Founder with the express written instructions/approvals of the Investor or the Board.

- 1.69. “**Memorandum**” means the memorandum of association of the Company, as amended, modified or supplemented from time to time in accordance with Applicable Law and this Agreement.
- 1.70. “**Milestones**” has the meaning ascribed to it in Clause 6.2.
- 1.71. “**Milestone 1**” has the meaning ascribed to it in Clause 6.2.
- 1.72. “**Milestone 1 Achievement Period**” has the meaning ascribed to it in Clause 6.2.
- 1.73. “**Milestone 1 Linked Call Option**” has the meaning ascribed to it in Clause 9.1.
- 1.74. “**Milestone 2**” has the meaning ascribed to it in Clause 6.2.
- 1.75. “**Milestone 2 Achievement Period**” has the meaning ascribed to it in Clause 6.2.
- 1.76. “**Milestone 2 Linked Call Option**” has the meaning ascribed to it in Clause 9.1.
- 1.77. “**Milestone 3**” has the meaning ascribed to it in Clause 6.2.
- 1.78. “**Milestone 3 Achievement Period**” has the meaning ascribed to it in Clause 6.2.
- 1.79. “**Milestone 3 Linked Call Option**” has the meaning ascribed to it in Clause 9.1.
- 1.80. “**Milestone 4**” has the meaning ascribed to it in Clause 6.2.
- 1.81. “**Milestone 4 Achievement Period**” has the meaning ascribed to it in Clause 6.2.
- 1.82. “**Milestone 4 Linked Call Option**” has the meaning ascribed to it in Clause 9.1.
- 1.83. “**NAV FMV**” has the meaning ascribed to it in Clause 9.1.
- 1.84. “**New Buyer**” has the meaning ascribed to it in Clause 10.1.
- 1.85. “**Non-Compete Period**” has the meaning ascribed to it in Clause 15.2.3.
- 1.86. “**Notice**” means all notices, requests, waivers and other communications in writing, including by way of electronic email providing such details and information in order to enable the Party to take any action or make an informed decision. The words “Notify”, “Notified” and “Notification” shall be construed accordingly.
- 1.87. “**PCA**” has the meaning ascribed to it in Clause 15.6.
- 1.88. “**Person**” means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, society, co-operative society, Governmental Authority or any other entity (whether or not having separate legal personality).
- 1.89. “**Preference Shares**” means the Series A1 CCPS and all other preference shares issued or to be issued by the Company, from time to time.

- 1.90. “**Prior Agreement**” shall mean any prior shareholder or founder agreements, by whatever name called, in relation to the Company (including the rights of Shareholders, governance of the Company, etc.), executed and/or entered before the Closing Date.
- 1.91. “**Proprietary Rights**” includes collectively or individually, all rights in the nature of intellectual property or intangible rights, including but not limited to patents, copyrights, brands, trademarks, tradenames, service marks, service names, logos, designs (whether or not filed, perfected, registered or recorded and whether now or hereafter existing, filed issued or acquired). It shall also include (a) trade secrets and know-how; (b) confidential information, databases and algorithms; (c) internet domain names and / or addresses and applications; (d) software, codes, algorithms and blueprints; and (e) all other intellectual, information or proprietary rights anywhere in the world including rights of privacy and publicity, rights to publish information and content in any media.
- 1.92. “**Put Option**” has the meaning ascribed to it in Clause 11.1.
- 1.93. “**Put Option Notice**” has the meaning ascribed to it in Clause 11.2.
- 1.94. “**Put Option Period**” has the meaning ascribed to it in Clause 11.1.
- 1.95. “**Put Shares**” has the meaning ascribed to it in Clause 11.2.
- 1.96. “**Public Offer**” means a public offering of the Equity Shares on any Stock Exchange whether in the form of a primary issuance, or an offer for sale, or a combination thereof.
- 1.97. “**Related Party**” has the meaning ascribed to it under the Act.
- 1.98. “**Relative**” has the meaning ascribed to it under the Act.
- 1.99. “**Resignation Linked Call Option**” has the meaning ascribed to it in Clause 9.1.
- 1.100. “**Resignation Linked Call Option Event**” has the meaning ascribed to it in Clause 9.1.
- 1.101. “**Right to Maintain Capital**” has the meaning ascribed to it in Clause 5.1.
- 1.102. “**Second Adjourned Meeting**” has the meaning ascribed to it in Clause 4.7.
- 1.103. “**Securityholder(s)**” means the Persons who are holders of the Dilution Instruments.
- 1.104. “**Series A1 CCPS**” shall mean reference to Series A1 compulsorily convertible cumulative preference shares of the Company having a face value of INR 10 (Indian Rupees Ten) per share, and having such terms as set out in **Schedule 5**.
- 1.105. “**Series A Category CCPS**” shall mean all Preference Shares identified as ‘Series A’, including Series A1 CCPS.
- 1.106. “**Share Subscription Agreement**” shall mean the share subscription agreement of even date executed amongst the Investor, the Company and the Founders pursuant to which the Investor has agreed to subscribe to the Subscription Shares.
- 1.107. “**Shareholder(s)**” means the Persons who are shareholders of the Company and whose names are entered in the register of members of the Company.
- 1.108. “**Shareholders Quorum**” has the meaning ascribed to it in Clause 4.9.

- 1.109. **“Shares”** means all classes of shares in the capital of the Company issued from time to time, together with all rights, differential rights, obligations, title, interest and claim in such shares.
- 1.110. **“SIAC Rules”** has the meaning ascribed to it in Clause 18.15.
- 1.111. **“Specified Actions”** has the meaning ascribed to it in Clause 10.3.
- 1.112. **“Specified CoC Sale”** has the meaning ascribed to it in Clause 12.1.
- 1.113. **“Stock Options”** means options and/ or appreciation rights (by whatever name called) in relation to the Dilution Instruments of the Company, issued under a Stock Option Plan that may be exercised on terms set forth in the relevant Stock Option Plan and related documents.
- 1.114. **“Stock Option Plan(s)”** means any plan(s) or scheme(s) by whatever name called, which provides for issuance of stock options of the Company and / or appreciation rights (by whatever name called) in relation to the Dilution Instruments of the Company, to eligible employees, directors and advisors of the Group.
- 1.115. **“Stock Exchange”** means the BSE Limited (formerly, the Bombay Stock Exchange) or the National Stock Exchange of India Limited or any other recognized stock exchange as may be approved by the Board in consultation with the Investor.
- 1.116. **“Subscription Amount”** shall mean the amount that the Investor has agreed to invest into the Company to subscribe to the Subscription Shares as set forth in the Share Subscription Agreement.
- 1.117. **“Subscription Shares”** shall mean the 100 (One Hundred) Equity Shares and 61,567 (Sixty One Thousand Five Hundred and Sixty Seven) Series A1 CCPS that the Investor has agreed to subscribe to as set forth in the Share Subscription Agreement.
- 1.118. **“Tag Acceptance Notice”** has the meaning ascribed to it in Clause 12.2.
- 1.119. **“Tag Along Notice”** has the meaning ascribed to it in Clause 12.2.
- 1.120. **“Tag Along Right”** has the meaning ascribed to it in Clause 12.1.
- 1.121. **“Tag Shares”** has the meaning ascribed to it in Clause 12.1.
- 1.122. **“Termination Linked Call Option”** has the meaning ascribed to it in Clause 9.1.
- 1.123. **“Termination Linked Call Option Event”** has the meaning ascribed to it in Clause 9.1.
- 1.124. **“Threshold Limit”** has the meaning ascribed to it in Clause 6.1.
- 1.125. **“Total Call Option”** has the meaning ascribed to it in Clause 9.1.
- 1.126. **“Transaction Documents”** include this Agreement, the Share Subscription Agreement, the restated Charter Documents, Founder Employment Agreements and all other agreements and documents that may be executed pursuant hereto and thereto.
- 1.127. **“Transfer”** (including the terms **“Transferred”**) means to directly or indirectly transfer, sell, assign, Encumber in any manner, place in trust (voting or otherwise), exchange, gift or transfer by operation of law.
- 1.128. **“Transferee”** has the meaning ascribed to it in Clause 7.5.

1.129. “**Transferor**” has the meaning ascribed to it in Clause 7.5.

1.130. “**Valid Quorum**” has the meaning ascribed to it in Clause 4.7.

2. EFFECTIVE DATE

2.1. Except for Clauses 1 (*Definitions and Interpretation*), 2 (*Effective Date*), 16 (*Representation and Warranties*), 17 (*Termination*) and 18 (*Miscellaneous*), the other provisions of this Agreement shall be effective from the Closing Date. For avoidance of the doubt, Clauses 1 (*Definitions and Interpretation*), 2 (*Effective Date*), 16 (*Representation and Warranties*), 17 (*Termination*) and 18 (*Miscellaneous*) shall be effective from the Execution Date.

2.2. The Company and the Founders confirm that there are no Prior Agreements.

2.3. The share capital of the Company on a Fully Diluted Basis on the Execution Date is and on the Closing Date shall be as set forth in **Schedule 2**.

2.4. The Founders hereby agree to the issuance and allotment of the Subscription Shares on the terms and conditions set out in the Share Subscription Agreement and waive all pre-emptive rights and other rights that each Founder may have with respect to the issuance and allotment of the Subscription Shares, whether conferred by the Articles, by contract or otherwise.

2.5. The Founders hereby confirm that they do not have and irrevocably waive all possible and pending claims of any kind whatsoever (as of Closing), if any, against the Company (and its Assets) and/or its Directors, officers and/or employees, except as agreed between the Parties under the Share Subscription Agreement.

3. INFORMATION AND INSPECTION RIGHTS

3.1. Reports and Information: The Company shall provide, and the Founder shall ensure that the Company provides, the Investor with the following information, within the period set forth below:

Sl. No.	Information	Due Date
1.	Monthly management information system (MIS) reports (include income statements, balance sheets, cash flow statements and summaries of bookings and backlogs) in a format acceptable to the Investor.	Within 15 (fifteen) days from the end of each month.
2.	Board approved quarterly unaudited standalone and consolidated financial statements (including cash flow statements).	Within 20 (twenty) days from the end of each quarter.
3.	Annual unaudited standalone and consolidated financial statements (including cash flow statements).	Within 30 (thirty) days from the end of each Financial Year.
4.	Audited standalone and consolidated annual financial statements, including profit and loss accounts and balance sheet and cash flow statements.	Within 45 (forty five) days from the end of each Financial Year.
5.	Certified true copies of the minutes of each meeting of the Shareholders of the Company, each meeting of the Board and committees of the Board, if any.	Within 30 (thirty) days of each meeting.

6.	Annual Business Plan.	30 (thirty) days prior to March 31 of every Financial Year in respect of the next Financial Year, or as determined by the Board with the consent of the Investor.
7.	Any notice received by the Group from any Governmental Authorities that could affect the Group in a materially adverse manner.	Immediately upon receipt of the same by the Group (but, in any event, within 3 (three) days thereof).
8.	Compliance reports, in relation to compliance by the Group with Applicable Law in a form determined by the Investor and signed by the Compliance Officer.	Within 30 (thirty) days from the end of each calendar quarter.
9.	Capitalization table setting the shareholding of the Group on a Fully Diluted Basis and As If Converted Basis.	Within 30 (thirty) days from the end of each calendar quarter.
10.	Any event that may have a material adverse impact on the Business and operations of the Group.	Immediately upon the Group and/or a Founder becoming aware of the same (but, in any event, within 3 (three) days thereof).
11.	Any other information as may be reasonably requested by the Investor.	Unless otherwise agreed with the Investor, within 7 (seven) days of such request of the Investor.

Further, the Company shall provide, and the Founders shall ensure that the Company provides, the Investor: (i) all such information as may be required by the Investor for complying with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”); and / or (ii) all such information that Company is required to provide for the Company and the Investor to be in compliance with the Listing Regulations, within the prescribed timelines.

- 3.2. **Inspection Rights.** The Investor shall have a right, and the Company shall and the Founders shall facilitate, permit and cooperate with the Investor, its advisors, consultants and/or representatives, to: (a) visit and inspect the offices, premises, properties and Assets of the Company, at all times during regular business hours on any Business Day; (b) receive from the Company, copies of any and all documents and records relating to the Company, including (without limitation) books of accounts, documents of title, contracts, orders, judgements, licenses, registrations etc., and inspect the originals; (c) consult and discuss the affairs of the Company, with Founders, employees, vendors, consultants, internal and external counsel and internal and statutory auditors; or (d) conduct an audit of the Business (collectively “**Inspection Rights**”). The Investor shall also have the rights available under this Clause in respect of all the other Group Companies (i.e. other than the Company) from time to time (*mutatis-mutandis*). Such rights shall form part of the articles of association or other charter documents of such Group Companies till the termination of this Agreement in accordance with its terms.

4. **BOARD, MANAGEMENT, SHAREHOLDER AND RELATED MATTERS**

- 4.1. Size and Composition of the Board. The Board shall consist of no more than 5 (five) Directors. The Company (acting through its Board) may, with the Investor's approval, increase the size of the Board and specify the scope and manner in which such additional members to the Board are to be appointed. Upon increase, this Clause 4 shall be deemed amended.
- 4.2. Composition of the Board. The composition of the Board shall be as follows:
- (a) Investor shall be entitled to appoint 3 (three) Directors ("**Investor Directors**").
 - (b) So long as the Founder remains in the employment of the Company and is eligible to act as a director under Applicable Law, the Founder shall have the right to be appointed as a Director. For the avoidance of doubt, it is clarified that immediately upon the Founder ceasing to be an employee of the Company, the right of the Founder to be appointed as a Director shall fall away.
 - (c) The Directors shall not be required to hold any qualification shares in the Company.
 - (d) The Investor Directors shall not be required to retire by rotation.
 - (e) The chairperson of the Board shall be, at all times, be one of the Investor Directors. Provided that in case of a Second Adjourned Board Meeting, if none of the Investor Directors are present, then one of Founders shall be chairperson. The chairperson shall have a second or a casting vote in case of a tie of votes.
 - (f) The Investor shall be entitled to remove and substitute any Director nominated by it and appoint an alternate Director to such Investor's nominee Director ("**Investor Alternate Director**", and the term Investor Director shall be deemed to include Investor Alternate Director to the extent an alternate director has been appointed).

Notwithstanding anything provided in this Agreement and/or the Articles, the Investor shall, at all times, have the right to appoint majority Directors on the Board.

- 4.3. The Founders shall, till they are on the Board, be appointed as the compliance officers of the Company ("**Compliance Officer(s)**"). In case there are more than 1 (one) Founders on the Board and where only one Compliance Officer is permitted under Applicable Law, then Nitesh Jain will be the Compliance Officer unless otherwise agreed between the Founders. The Compliance Officers shall be responsible to the Company for the conduct of its affairs, ensuring compliance by the Company of Applicable Law, and shall be considered the 'officer in charge/default' or 'occupier' or 'employer' for the purposes of the Act and all other Applicable Laws. The Company shall complete all filings in regard to the appointment and removal of the Compliance Officer within 30 (thirty) days (or the time period provided under the Applicable Law) of such appointment or removal.
- 4.4. Non-Executive Status and Indemnification. The Investor Directors shall be non-executive Directors. They shall not be in charge of or be responsible for the conduct of the business of the Group or for compliance of any Applicable Law by the Group. The Company shall not identify any Investor Director as an officer in charge/default of the Company, a member of the Company's management, an occupier of any premises used by the Company or as an "employer" for the purposes of Applicable Law. Notwithstanding anything to the contrary in the Transaction Documents, the Company (and/or other Group Companies) shall indemnify and hold each Investor Director harmless from all Claims and liabilities, costs and/or expenses (including legal expenses) arising, accruing, incurred, suffered and/or borne by the Investor Director on account of such Investor Director being a director of the Company or otherwise in connection with the business or affairs of the Group. Termination of this Agreement for any reason whatsoever, shall not affect the aforesaid indemnification obligations of the Company (and/or other Group

Companies) towards the Investor Directors. Such indemnification shall survive cessation of the Investor Directors as Directors of the Company for a period of 3 (three) years (or any such period mutually agreed upon) from the date of cessation (“**Director Indemnity Period**”). For avoidance of doubt, it is hereby clarified that any Claims made by any Investor Director during the Director Indemnity Period shall survive till such Claim is indemnified.

- 4.5. Committees of the Board. The Board may set up committees / sub-committees as required from time to time. The Investor Directors shall be entitled to be appointed as members of all such committees and sub-committees. The Company to have such committees required by Applicable Law and/or by the Investor. Clauses 4.1 to 4.4, Clauses 4.6 to 4.8, Clause 4.10 and Clause 4.13 shall apply to all committees of the Board *mutatis mutandis*.
- 4.6. Board and committee meetings. The Company shall at minimum hold such number of Board meetings as is required under Applicable Law. All expenses including reasonable travel, hotel and related expenses incurred by the Investor Directors for attending meetings of the Board shall be borne by the Company. The Company shall issue a prior Notice of at least 7 (seven) days of the meeting of the Board to all the Directors. The Notice shall contain, *inter alia*, an agenda specifying in reasonable detail the matters to be discussed and shall be accompanied by all necessary written information and documents. A copy of the Notice shall also be delivered to the Investor. Board meetings may be held with shorter Notice after obtaining the written consent of the Director as per Applicable Law (but including one Investor Director). The Board shall not consider matters outside of the agenda at such meeting without the written consent of all the Investor Directors. The agenda shall always include any items proposed by the Investor or any Investor Director. The minutes of the meetings of the Board shall be written in English and shall be signed by the chairperson. Subject to Applicable Law, as soon as the chairperson of the Board finalizes the minutes of the proceedings of the Board meeting, the draft of such minutes shall be circulated to the Investor Directors and other Directors for their approval as per Applicable Law.
- 4.7. Quorum. The quorum for a Board meeting shall require the presence of at least 2 (two) Investor Directors and 1 (one) Founder Director, who must be present at the beginning of and throughout the meeting; provided that the presence of the Investor Directors and 1 (one) Founder Director shall not be required with respect to a Board meeting when such right has been waived by the Investor / the Founders, in writing (“**Valid Quorum**”). If Valid Quorum is not present within half an hour of the scheduled time of the meeting, the meeting shall stand adjourned to the same day, location and time during the following week (“**First Adjourned Meeting**”). If at least 2 (two) Investor Directors are not present within half an hour of the scheduled time of the First Adjourned Meeting, the meeting shall once again stand adjourned to the same day, location and time during the following week (“**Second Adjourned Meeting**”). If at least 2 (two) Investor Directors are not present within half an hour of the scheduled time of the Second Adjourned Meeting, the Directors present shall, subject to Applicable Law constitute quorum. At the Second Adjourned Meeting, the Board may only discuss matters included in the agenda for the original Board meeting.
- 4.8. Circular Resolutions. The Board may act by circular resolution on any matter as per Applicable Law, except matters: (a) which by Applicable Law may only be acted upon at a Board meeting; and (b) matters which in the opinion of any Investor Director need discussions in a Board meeting.
- 4.9. Shareholders’ Meetings. Subject to Applicable Law, a general meeting of the Shareholders may be convened by serving at least 21 (twenty one) calendar days’ written Notice to all the Shareholders, or such shorter Notice as may be approved in writing by the Investor or the Founders with an explanatory statement containing all relevant information relating to the agenda for the general meeting. The quorum for a meeting of the Shareholders shall always include the Investor as well as at least one of the Founders, at the beginning of and throughout the meeting (“**Shareholders Quorum**”), provided that the presence of the Investor or Founder shall not be required if it has waived such requirement in writing. If a valid Shareholders Quorum is not

present for any Shareholders' meeting, the meeting shall automatically stand adjourned to the first Business Day falling 7 (seven) days after the original meeting, at the same time and venue. If at such adjourned meeting also no valid Shareholders Quorum is present, then the Shareholders present at such adjourned meeting (not being less than the number required under the Act) shall be deemed to constitute a valid quorum. At adjourned meetings, the Shareholders may only discuss matters included in the agenda for the original Shareholders' meeting. Voting on all matters to be considered at a general meeting of the Shareholders shall be by way of a poll unless otherwise specified by the Investor. All expenses including reasonable travel, hotel and related expenses incurred by the Investor or its nominees / representatives for attending Shareholders' meeting shall be borne by the Company.

- 4.10. Veto Rights. Notwithstanding anything contained in this Agreement, any decision or action of the Group, including any resolution of the board or a committee thereof and/or any resolution of the shareholders, which is not in accordance with the Business Plan approved by the Investor in writing, shall require prior written consent of the Investor. Accordingly, no decision or resolution or action of the Group which is not in accordance with the Business Plan approved by the Investor in writing: (i) shall be valid or binding on any Person including the Group; and (ii) the Group shall not take any action pursuant to such decision or resolution, unless the prior written approval of the Investor has been obtained for the same.
- 4.11. Exercise of Rights. The Founders and the Company shall take such actions as may be necessary (including exercising votes at Shareholders' meetings, Board meetings or any committees thereof), to give effect to the provisions of, and to comply with their obligations under the Transaction Documents. If a resolution is passed or action is taken contrary to the provisions of this Clause 4, the Company and the Founders shall ensure that such resolution or action is not given effect to, and such resolution or action shall be void and not binding on the Group.
- 4.12. Directors and Officers Liability Insurance and Key Man Insurance. The Company shall obtain and maintain a valid and current Directors and Officers Liability Insurance, for an amount acceptable to the Board for all the Directors covering liabilities that the Investor reasonably requires. The Directors and Officers Liability Insurance policy shall provide coverage to the members of the Board even after they cease to be Directors for a period of 3 (three) years from the date of cessation ("**D&O Policy Coverage Period**"). The Directors and Officers Liability Insurance policy to provide that Claims made by any member of the Board during the D&O Policy Coverage Period shall survive the D&O Policy Coverage Period.
- 4.13. Co-operation and Corporate Filings. Each shareholder shall co-operate for appointment and removal of Directors as per this Clause. The Company shall, within the period prescribed under Applicable Law, comply with all regulatory formalities with respect to appointments, termination, changes and replacements of the Investor Directors.

5. FURTHER ISSUE OF DILUTION INSTRUMENTS AND RIGHT TO MAINTAIN CAPITAL

- 5.1. General. If the Company proposes to issue any Dilution Instruments pursuant to a Dilution Instrument Issuance, the Company shall first offer such Dilution Instrument(s) to the Investor and the Founders, and the Investor and the Founders shall have the right to participate up to its Pro Rata Share (*defined below*) in any Dilution Instrument Issuance (*defined below*) by the Company ("**Right to Maintain Capital**"). Provided that a Founder's Right to Maintain Capital shall immediately fall away if: (a) any of the Milestones have not been achieved within the relevant Milestone Achievement Period as specified in Clause 6.3 (*Capital Commitment*); (b) he commits a Material Breach; or (c) he ceases to be an employee of the Company. Provided further that a Founder's Right to Maintain Capital shall not be applicable with respect to the Dilution Instruments held by it in relation to which: (i) any term sheet, agreement or documents for Transfer of Dilution Instruments held by Founder has been executed; or (ii) a Drag Along Notice,

a Tag Along Notice or a Put Option Notice has been issued. For the avoidance of doubt, it is hereby clarified that the Right to Maintain Capital shall not apply with respect to any Excluded Issuance.

- 5.2. Procedure. Unless otherwise agreed to by the Investor, the offer of new Dilution Instruments shall be made in the manner set forth below.
- 5.3. Definitions. The following definitions shall apply to this Clause 5.
- (i) **“Acceptance”**: Notice from the Investor / the Founder to the Company electing to subscribe to the number of Dilution Instruments specified therein.
 - (ii) **“Acceptance Period”**: 30 (thirty) days from the date of delivery of Offer Notice (*defined below*) to the Investor/ the Founder.
 - (iii) **“Dilution Instrument Issuance”** issuance by the Company of Dilution Instruments other than an Excluded Issuance.
 - (iv) **“Offer Notice”**: Company’s Notice in writing to the Investor and / or the Founder (as relevant) setting forth (a) its intention to offer the Dilution Instruments; (b) the nature and number of the Dilution Instruments to be offered; (c) the price and terms, if any, upon which it proposes to offer the Dilution Instruments; (d) the Pro Rata Share of the Investor / the Founder (as relevant); and (d) the identity of the proposed allottee with whom terms have been discussed, if relevant and applicable.
 - (v) **“Pro Rata Share”** of the Investor and / or the Founder (as relevant) shall be determined by multiplying the number of Dilution Instruments proposed to be issued by a fraction, the numerator of which is the number of Equity Shares (determined on an As If Converted Basis) owned by the Investor / the Founder (as relevant) divided by the total number of Equity Shares of the Company then outstanding (determined on an As If Converted Basis).
- 5.4. Process. The Company shall deliver an Offer Notice to the Investor and / or the Founder (as relevant) in respect of each Dilution Instrument Issuance. If the Investor and / or the Founder (as relevant) elects to subscribe to its Pro Rata Share of Dilution Instruments, it shall send its Acceptance within the Acceptance Period. Except as otherwise provided in this Agreement, the Investor and / or the Founder (as relevant), if it has sent its Acceptance within the Acceptance Period, shall remit the relevant amounts and the issuance to the Investor and / or the Founder (as relevant) shall be completed within 30 (thirty) days from the date of expiry of the Acceptance Period. The issuance of such Pro Rata Share of Dilution Instruments to the Investor and / or the Founder (as relevant) (if it has sent its Acceptance within the Acceptance Period) and any other Person (as specified in the Offer Notice) shall be completed simultaneously, unless otherwise agreed to by the Company and the Investor and the Founder (as relevant).
- 5.5. Fresh Compliance. If the issuance of the Dilution Instruments is not completed within 90 (ninety) days from the date of the expiry of the Acceptance Period, the Company shall comply with the provisions of this Clause 5 afresh.
- 5.6. Affiliates. The Investor may assign in whole or in part, its right to subscribe to the Dilution Instruments to its Affiliates, subject to such Affiliates (who is not a Shareholder) executing a Deed of Adherence prior to or at the time of issuance of such Dilution Instruments.
- 5.7. The Founders shall co-operate with the Group as may be necessary to facilitate and give effect to the Dilution Instrument Issuance, including by providing customary representations, warranties and indemnities (limited to the extent of the value of the Dilution Instruments held by them in the Company) and facilitating any requisite due diligence and amending the Charter Documents.

6. CAPITAL COMMITMENT OF THE INVESTOR

- 6.1. In addition to the Subscription Amount being invested by the Investor in the Company, the Investor agrees to, subject to receipt of necessary corporate approvals, infuse additional capital in the Company in the manner provided in Clause 6.3 below upon the Company achieving the Milestones specified in Clause 6.2 below (“**Additional Capital Infusion**”). Provided that, so long as the Additional Capital Infusion by the Investor (by way of primary issuance by the Company) does not exceed INR 67,50,00,000 (Indian Rupees Sixty Seven Crore Fifty Lakh), the aggregate shareholding of the Investor in the Company on a Fully Diluted Basis shall not exceed 74% (seventy four percent) (“**Threshold Limit**”). The mechanism to achieve the aforesaid commercial understanding in respect of the Threshold Limit shall be mutually agreed by the Parties at the time of such Additional Capital Infusion. For the avoidance of doubt, the Threshold Limit shall not apply where any capital infusion is made by the Investor without the relevant Milestone being achieved by the Company within the relevant Milestone Achievement Period. Further, the Threshold Limit shall automatically stand proportionately increased upon acquisition of Dilution Instruments by the Investor pursuant to the exercise of the Put Option by a Founder.

6.2. Milestones:

The milestones for the Additional Capital Infusion shall be as set out below:

- (i) “**Milestone 1**” means the Company generating net revenue from operations of at least INR 4,00,00,000 (Indian Rupees Four Crores) within the Milestone 1 Achievement Period.
- (ii) “**Milestone 1 Achievement Period**” means 12 (twelve) months from the Closing Date.
- (iii) “**Milestone 2**” means the Company generating net revenue from operations of at least INR 25,00,00,000 (Indian Rupees Twenty Five Crores) within the Milestone 2 Achievement Period.
- (iv) “**Milestone 2 Achievement Period**” means 24 (twenty four) months from the Closing Date.
- (v) “**Milestone 3**” means the Company generating net revenue from operations of at least INR 55,00,00,000 (Indian Rupees Fifty Five Crores) and achieving an EBITDA Margin of -20% (negative twenty percent) or better, within the Milestone 3 Achievement Period.
- (vi) “**Milestone 3 Achievement Period**” means 36 (thirty six) months from the Closing Date.
- (vii) “**Milestone 4**” means the Company generating net revenue from operations of at least INR 130,00,00,000 (Indian Rupees One Hundred and Thirty Crores) and achieving an EBITDA Margin of -2% (negative two percent) or better, within the Milestone 4 Achievement Period.
- (viii) “**Milestone 4 Achievement Period**” means 48 (forty eight) months from the Closing Date.

Milestone 1, Milestone 2, Milestone 3 and Milestone 4 are hereinafter collectively referred to as the “**Milestones**” and individually referred to as a “**Milestone**”.

Milestone 1 Achievement Period, Milestone 2 Achievement Period, Milestone 3 Achievement Period and Milestone 4 Achievement Period are hereinafter collectively referred to as the “**Milestone Achievement Periods**” and individually referred to as the “**Milestone Achievement Period**”.

Notwithstanding anything to the contrary provided in this Clause 6, if a Milestone is not achieved within the relevant Milestone Achievement Period, then a grace period of additional 12 (twelve) months (“**Grace Period**”) shall be available with the Company for achieving such Milestone, and the Milestone Achievement Periods for the remaining Milestones shall stand automatically adjusted (subject to the Aggregate Grace Period). Provided that the total period, including the Grace Period within which all the Milestones shall be achieved shall not exceed 72 (seventy two months) in aggregate (“**Aggregate Grace Period**”). The Grace Period and/or the Aggregate Grace Period once utilized shall stand exhausted and cannot be replaced / compensated by early achievement of subsequent Milestone.

6.3. **Capital Commitment:**

- (i) If Milestone 1 is achieved by the Company within the Milestone 1 Achievement Period, then the Investor will, subject to receipt of necessary corporate approvals, invest INR 25,20,00,000 (Indian Rupees Twenty Five Crore Twenty Lakh) within 90 (Ninety) days of determination of achievement of Milestone 1.
- (ii) If Milestone 2 is achieved within the Milestone 2 Achievement Period, then the Investor will, subject to receipt of necessary corporate approvals, invest INR 33,60,00,000 (Indian Rupees Thirty Three Crore Sixty Lakh) within 90 (Ninety) days of determination of achievement of Milestone 2.
- (iii) If Milestone 3 is achieved within the Milestone 3 Achievement Period, then the Investor will, subject to receipt of necessary corporate approvals, invest INR 33,60,00,000 (Indian Rupees Thirty Three Crore Sixty Lakh) within 90 (Ninety) days of determination of achievement of Milestone 3.
- (iv) If Milestone 4 is achieved within the Milestone 4 Achievement Period, then the Investor will, subject to receipt of necessary corporate approvals, invest INR 16,80,00,000 (Indian Rupees Sixteen Crore Eighty Lakh) within 90 (Ninety) days of determination of achievement of Milestone 4.

6.4. Determination of achievement of Milestones: The achievement of each Milestone shall be determined based on the following (as available at the relevant point in time): (a) audited financial statements of the Company; or (b) limited review of financial statements of the Company undertaken by the statutory auditor of the Company; and supported by a milestone assurance certificate issued by the statutory auditor of the Company, unless otherwise agreed by the Investor.

6.5. Interim Capital Requirement: The Parties agree and acknowledge that the Milestones and the Milestone Achievement Periods have been arrived at on the assumption that the Investor shall have undertaken the relevant Milestone linked Additional Capital Infusion within 30 (thirty) days from the determination of achievement of the relevant Milestone (“**Expected ACI Period**”). If the Investor is not able to undertake the relevant Milestone linked Additional Capital Infusion within Expected ACI Period, then the Investor shall notify the Company of the same within 10 (ten) days of the determination of the achievement of the relevant Milestone (“**ACI Funding Notice**”). Upon receipt of the ACI Funding Notice, the Company may avail a short term loan / debt (“**Interim Loan**”) for its business requirements until the relevant Milestone linked Additional Capital Infusion is made by the Investor. The Investor agrees to co-operate with the Company and Founders to enable the Company to avail the Interim Loan.

In the event that the Company is not able to avail the Interim Loan within 30 (thirty) days of receipt of ACI Funding Notice (“**ACI Drop Date**”), then the Milestone Achievement Periods for the remaining Milestones shall stand automatically extended by the number of days taken by the

Investor (beyond the said ACI Drop Date) for making the relevant Milestone linked Additional Capital Infusion.

Illustration: Milestone 1 is achieved by the Company at the end of 12th (twelfth) month and the Company is unable to avail Interim Loan by the ACI Drop Date. If the Investor makes the relevant Additional Capital Infusion on the 45th day from the ACI Drop Date (i.e., 85 (eighty five) days post the determination of the achievement of Milestone 1), then the remaining Milestone Achievement Periods shall stand automatically extended by 45 (forty five) days (e.g., Milestone 2 Achievement Period shall be 24 (twenty four) months + 45 (forty five) days from the Closing Date).

- 6.6. Investor to act in good faith: The Investor hereby agrees and undertakes to act in good faith and co-operate with the Company and the Founders to enable the achievement of the Milestones by the Company.

7. TRANSFER RESTRICTIONS.

- 7.1. Definitions. The following definitions shall apply to this Clause 7:

- (i) **“Proposed Transferee”:** a reputed Person who is compliant with the ABAC Laws and not a Competitor, to whom the ROFR Seller proposes to Transfer the ROFR Shares and whose particulars are set forth in the ROFR Notice.
- (ii) **“ROFR”:** Right available to the Investor to acquire at the same price and terms as is offered by the Proposed Transferee for all the ROFR Shares.
- (iii) **“ROFR Acceptance Notice”:** A Notice issued by the Investor to the ROFR Seller exercising its ROFR.
- (iv) **“ROFR Acceptance Period”:** 30 (thirty) Business Days from the date of receipt of the ROFR Notice by the Investor.
- (v) **“ROFR Notice”:** A Notice to be issued by the ROFR Seller to the Company and the Investor setting out: (a) the number of ROFR Shares, details of the Proposed Transferee, price per ROFR Share, and all other material terms and conditions of the proposed Transfer; (b) a valuation report from a Big 4 Accounting Firm supporting the price per ROFR Share; (c) confirmation that no other consideration in any manner whatsoever is payable by the Proposed Transferee to the ROFR Seller and that the proposed Transfer of Shares by the ROFR Seller to the Proposed Transferee is a *bonafide* transaction; and (d) all other relevant aspects of the transaction.
- (vi) **“ROFR Shares”:** The Dilution Instruments that the ROFR Seller proposes to Transfer.
- (vii) **“ROFR Seller”:** Each Securityholder (including the holders of Shares allotted pursuant to the exercise of Stock Options) other than the Investor.

- 7.2. Founder Lock-In. Except as otherwise set out in this Agreement under Clauses 9 (*Investor Call Option*), 10 (*Drag Along Right of the Investor*), 11 (*Liquidity Shares and Put Option of the Founders*) and 12 (*Tag Along Right of the Founders*), none of the Founders shall be entitled to Transfer any Dilution Instruments held by them until the expiry of 4 (four) years from the Closing Date (**“Lock-In Period”**) without the prior written approval of the Investor. Immediately upon the expiry of the Lock-In Period, the Founders shall be entitled to sell such number of Dilution Instruments held by them that are not subject to the relevant Milestone Linked Call Options, without the written approval of the Investor (except as set out under Clauses 9 (*Investor Call Option*) and 10 (*Drag Along Right of the Investor*)). For the avoidance of doubt,: (i) the Founders

shall not be entitled to Transfer such Dilution Instruments that continue to be subject to any Milestone Linked Call Options, without the prior written approval of the Investors; and (ii) the Transferee to whom such Dilution Instruments are Transferred shall be bound by the provisions of Clauses 9 (*Investor Call Option*) and 10 (*Drag Along Right of the Investor*) of this Agreement.

- 7.3. Permitted Transfers. Subject to Clause 7.5 (*Deed of Adherence*) and Clause 7.6 (*Sale to Competitors*) below, the Transfer restrictions provided in Clause 7.2 (*Founder Lock-In*) and the ROFR shall not be applicable in the case of Transfer of up to 15% (fifteen percent) of the Dilution Instruments held by a Founder as of the Execution Date to a Founder Family Trust for tax and estate planning purposes only (“**Permitted Transfer**”). Provided that any further Transfer of Dilution Instruments by the Founder Family Trust, shall be permitted only to the Founder, unless otherwise agreed by the Investor in writing. Notwithstanding anything contained herein, the Founder Family Trust to whom any Dilution Instruments have been transferred by the Founder, shall be classified as ‘*Founder*’ under this Agreement and shall be bound by the obligations of the Founder under this Agreement and the Articles; provided that the Founder himself shall continue to perform such obligations that are personal to such Founder; provided further that, in case of any non-compliance with or breach of the Founder’s and /or Founder Family Trust’s obligations under this Agreement, the Founder and the Founder Family Trust shall be jointly and severally liable. For the avoidance of doubt, the Founder Family Trust shall be bound by the provisions of Clauses 9 (*Investor Call Option*) and 10 (*Drag Along Right of the Investor*) of this Agreement.
- 7.4. Right of First Refusal. Subject to the provisions of Clause 7.2 (*Founder Lock-In*), the Investor shall have a ROFR in respect of ROFR Shares that a ROFR Seller proposes to Transfer to a Proposed Transferee.
- 7.4.1. If a ROFR Seller receives a *bonafide* offer for Transfer of ROFR Shares for cash consideration that the ROFR Seller desires to accept, the ROFR Seller shall deliver a ROFR Notice to the Investor and the Company. For avoidance of doubt, the ROFR Seller shall not be entitled to Transfer the ROFR Shares to any Person for consideration other than cash.
- 7.4.2. The Investor may exercise the ROFR by issuing a ROFR Acceptance Notice to the ROFR Seller within the ROFR Acceptance Period.
- 7.4.3. Purchase and Sale of Shares. The Transfer of ROFR Shares to the Investor exercising the ROFR shall be completed within 30 (thirty) Business Days from the date of receipt of the ROFR Acceptance Notice by the ROFR Seller.
- 7.4.4. Fresh Compliance. If the Investor has not exercised the ROFR within the prescribed time period or defaulted in acquiring the ROFR Shares as per Clause 7.4.3, then the ROFR Seller may consummate the proposed Transfer of ROFR Shares to the Proposed Transferee within a period of 120 (one hundred and twenty) days from the date of expiry of the Acceptance Period, failing which the ROFR Seller, may Transfer such ROFR Shares, only after complying afresh with the requirements laid down under Clause 7.4. Provided that if the Transfer of ROFR Shares to the Proposed Transferee is not consummated within the aforesaid period of 120 (one hundred and twenty) days from the date of expiry of the Acceptance Period, solely due to delay in receipt of any approval from any Government Authority, then the aforesaid period shall stand automatically extended by another 30 (thirty) days.
- 7.4.5. Assignment. Subject to Clause 7.6 (*Sale to Competitor*), the Investor may assign its entitlement (or part thereof) to acquire the ROFR Shares in favour of its Affiliates.

- 7.4.6. The ROFR Seller shall not Transfer the ROFR Shares to any Person other than the Proposed Transferee.
- 7.5. Deed of Adherence. Transfer of Dilution Instruments by any Securityholder (“**Transferor**”) or issuance of Dilution Instruments by the Company shall be complete and effective only upon the transferee (“**Transferee**”) / acquirer of the Dilution Instruments executing a Deed of Adherence agreeing to be bound by the terms of this Agreement if such Transferee / acquirer is already not a Party to this Agreement. The Transferee / acquirer of the Dilution Instruments, the Transferor (if applicable), the Company and Investor shall execute such a Deed of Adherence, and the same shall be binding upon all other Securityholders.
- 7.6. Sale to Competitors. Except as otherwise provided in the Agreement, a Securityholder shall not Transfer any Dilution Instruments to a Competitor. Notwithstanding the above, the Investor may transfer its Dilution Instruments to a Competitor: (a) upon the Company failing to achieve any of the Milestones within the relevant Milestone Achievement Period (including Grace Period but subject to the Aggregate Grace Period); (b) following the occurrence of a Material Breach; and/or (c) in a Change of Control Transaction.
- 7.7. Failure to Comply. Any Transfer of Dilution Instruments made in violation of the requirements prescribed under this Agreement shall be null and void *ab initio*.

8. TRANSFER BY THE INVESTOR.

- 8.1. Subject to Clause 7.5 (*Deed of Adherence*) and Clause 7.6 (*Sale to Competitors*), the Investor may freely Transfer Dilution Instruments held by it to any Person with or without an assignment of rights under this Agreement. Without prejudice to the provisions of Clause 12 (*Tag Along Right of the Founders*), the Company and the Founders shall do all reasonable acts and deeds from time to time as may be necessary to give effect to such Transfer(s) by the Investor, including by providing customary representations, warranties and indemnities (limited to the extent of the value of the Dilution Instruments held by them in the Company) and facilitating any requisite due diligence.
- 8.2. Non-Pledging. The Investor shall not be required to pledge its Dilution Instruments or invest any additional amount in the Company (except as provided in Clause 6 above) or offer any guarantee or collateral security in respect of any borrowing by the Group.

9. INVESTOR CALL OPTION

- 9.1. Upon occurrence of any of the events set forth in column 2 (*Nature of Event*) in the table below, the consequences set out in column 3 (*Consequences*) in the table below shall apply in respect of the relevant Founder(s).

Sr. No	Nature of Event	Consequences
1.	If Milestone 1 is not achieved by the Company within the Milestone 1 Achievement Period (including any Grace Period).	The Investor shall have the right (but not the obligation) to purchase (either by itself or through any Person nominated by it) up to all the Dilution Instruments (other than the outstanding Stock Options) held by the Founders at the fair market value determined on NAV basis of the Dilution Instruments (“NAV FMV”) (such right, the “ Milestone 1 Linked Call Option ”). Further, all outstanding Stock

		Options (whether vested, unvested or exercised) held by the Founders shall automatically stand cancelled.
2.	If Milestone 2 is not achieved by the Company within the Milestone 2 Achievement Period (including any Grace Period).	The Investor shall have the right (but not the obligation) to purchase (either by itself or through any Person nominated by it) up to 80% of the Dilution Instruments (other than the outstanding Stock Options) held by each Founder at the NAV FMV (such right, the “ Milestone 2 Linked Call Option ”). Further, all unvested Stock Options held by the Founders shall automatically stand cancelled.
3.	If Milestone 3 is not achieved by the Company within the Milestone 3 Achievement Period (including any Grace Period but subject to the Aggregate Grace Period).	The Investor shall have the right (but not the obligation) to purchase (either by itself or through any Person nominated by it) up to 20% of the Dilution Instruments (other than the outstanding Stock Options) held by the Founders at the NAV FMV (such right, the “ Milestone 3 Linked Call Option ”). Further, all unvested Stock Options held by the Founders shall automatically stand cancelled.
4.	If Milestone 4 is not achieved by the Company within the Milestone 4 Achievement Period (including any Grace Period but subject to the Aggregate Grace Period).	The Investor shall have the right (but not the obligation) to purchase (either by itself or through any Person nominated by it) up to 7.5% of the Dilution Instruments (other than the outstanding Stock Options) held by the Founders at the NAV FMV (such right, the “ Milestone 4 Linked Call Option ”, and together with Milestone Linked Call Option 1, Milestone Linked Call Option 2 and Milestone Linked Call Option 3, the “ Milestone Linked Call Options ” and individually, the “ Milestone Linked Call Option ”). Further, all unvested Stock Options held by the Founders shall automatically stand cancelled.
5.	The Founder(s) committing Material Breach.	The Investor shall have the right to purchase (either by itself or through any Person nominated by it) up to all the Dilution Instruments (other than the outstanding Stock Options) held by the relevant Founder(s) at NAV FMV (“ Total Call Option ”). Further, all outstanding Stock Options (whether unvested, vested or exercised) held by such Founder shall automatically stand cancelled.
6.	Termination of the employment of the Founder by the Company for reasons other than Material Breach (“ Termination Linked Call Option Event ”).	The Investor shall have the right to purchase (either by itself or through any Person nominated by it) up to all the Dilution Instruments held by the Founder at 15% above the fair market value determined by a Big 4 Accounting Firm (“ Big 4 FMV ”) (“ Termination Linked Call Option ”).
7.	Resignation from the employment by the Founder after expiry of 10 (ten) years from the Closing Date or due to death or permanent disability	The Investor shall have the right to purchase (either by itself or through any Person nominated by it) up to all the Dilution Instruments held by the Founder at Big 4 FMV (“ Resignation Linked Call Option ”,

	<p>(“Resignation Linked Call Option Event”).</p>	<p>and together with Milestone Linked Call Options, Total Call Option, Termination Linked Call Option, the “Call Options” and individually, the “Call Option”).</p>
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9.2. Notwithstanding anything provided herein, each Call Option shall be without prejudice to the other Call Options. The Call Options may be exercised by the Investor directly or through any Person nominated by it subject to Clause 7.6 (*Sale to Competitors*). Call Options will be binding on the legal heirs of the Founders (as applicable).

9.3. Process.

9.3.1. The relevant Call Option may be exercised by the Investor at any time after the occurrence of the relevant event (as set out in the table at Clause 9.1 above). Provided that, a Milestone Linked Call Option with respect to a particular Milestone cannot be exercised if a later Milestone has already been achieved by the Company within the relevant Milestone Achievement Period. For e.g., if Milestone 1 is not achieved by the Company within Milestone 1 Achievement Period but Milestone 2 is achieved by the Company within Milestone 2 Achievement Period, then the Investor shall be entitled to exercise its Milestone 1 Linked Call Option from the expiry of the Milestone 1 Achievement Period until the date of achievement of Milestone 2, and not thereafter.

9.3.2. Upon the exercise of Call Option by the Investor, the Investor shall issue a Notice (**“Call Option Notice”**) to the relevant Founder(s) specifying: (i) the number of Dilution Instruments that the Investor (or any Person nominated by it) proposes to purchase from the relevant Founder(s) (**“Called Shares”**); (ii) the NAV FMV / the Big 4 FMV (as relevant) per Called Share and the aggregate consideration payable by the Investor (or any Person nominated by it) for the Transfer of the Called Shares by the relevant Founder(s) to the Investor (or any Person nominated by it); and (iii) the proposed date for the closing of the Transfer of the Called Shares (which shall be no later than 30 (thirty) days from the date of issue of the Call Option Notice).

9.3.3. Notwithstanding the foregoing, a Call Notice shall be revocable by a written notice to the relevant Founder(s) at any time before the completion of the Transfer of the Called Shares.

9.3.4. Upon receipt of the Call Option Notice, the relevant Founder(s) shall be obligated to Transfer the Called Shares to the Investor (or any Person nominated by it) on the proposed date for the closing of the Transfer of the Called Shares as specified in the Call Option Notice, subject to payment of the relevant consideration by the Investor for the Called Shares.

9.3.5. The relevant Founder(s) shall do all acts, deeds and things necessary to give effect to the Call Option including such Founder(s) providing customary representations, warranties and indemnities (limited to the extent of the value of the Dilution Instruments held by them in the Company) to the Investor, and issuing appropriate instructions to its depository participant to give effect to the Transfer.

9.3.6. The relevant Founder(s) shall ensure that the Called Shares are Transferred to the Investor (or any Person nominated by it) free from all Encumbrances.

10. DRAG ALONG RIGHT OF THE INVESTOR

- 10.1. In the event that the Investor proposes to Transfer Dilution Instruments held by it which is a Change of Control Transaction, the Investor shall have the right to require any and/or each of the Founders and the other Securityholders (if any) (including holders of Equity Shares allotted pursuant to the exercise of Stock Options) (“**Dragged Shareholders**”) to Transfer up to all the Dilution Instruments (free of all Encumbrances) held by them (“**Drag Along Shares**”) together with the Transfer of Dilution Instruments by the Investor to any Person identified by the Investor (“**New Buyer**”) (such right, the “**Drag Along Right**”). It is hereby clarified that the New Buyer and the terms and conditions for Transfer of Dilution Instruments to such New Buyer shall be finalised by the Investor in writing. For avoidance of doubt, the terms and conditions for Transfer of Drag Along Shares to the New Buyer shall be on the same terms (but subject to Clause 13 (*Liquidation Preference*)) as applicable to the Investor, subject to withholding tax obligations under Applicable Law and/ or to meet the legal requirements and/ or any adjustment needed for different types of Dilution Instruments (to be determined by the Investor and the New Buyer).
- 10.2. Process.
- 10.2.1. Upon the exercise of Drag Along Right by the Investor, the Investor shall issue a Notice to the Dragged Shareholders specifying: (i) the price per Dilution Instrument and the consideration payable in the form of cash or securities; (ii) the number of Drag Along Shares to be sold by the Dragged Shareholders; (iii) the proposed date for the closing of the Transfer; (iv) details of New Buyer and (v) the material terms of such Transfer (“**Drag Along Notice**”).
- 10.2.2. Notwithstanding the foregoing, a Drag Along Notice shall be revocable by a written notice to the Dragged Shareholders at any time before the completion of the Transfer, and any such revocation shall not prohibit the Investor from serving a further Drag Along Notice.
- 10.2.3. Upon receipt of the Drag Along Notice, the Dragged Shareholder(s) shall be obligated to Transfer the Drag Along Shares to the New Buyer on the proposed date for the closing of the Transfer of the Drag Along Shares as specified in the Drag Along Notice, subject to payment of the relevant consideration by the New Buyer for the Drag Along Shares.
- 10.2.4. The Dragged Shareholders shall do all acts, deeds and things necessary to give effect to the Drag Along Right including the Dragged Shareholders providing the customary representations, warranties and indemnities (limited to the extent of the value of the Dilution Instruments held by them in the Company), and issuing appropriate instructions to their depository participant to give effect to the Transfer.
- 10.2.5. The Dragged Shareholders shall ensure that the Drag Along Shares are Transferred free from all Encumbrances.
- 10.3. Reorganization of the Group. The Investor shall (at its sole discretion) have the right to undertake (and require any Group Company to undertake) any of the following actions (“**Specified Actions**”): (a) merge any Group Company(ies) into itself or any of its Affiliates (“**Identified Merger**”), (b) demerge the Business of any Group Company (ies) (or part thereof) into another company (“**Demerged Entity**”, and such demerger, the “**Identified Demerger**”), (c) sell majority Assets of any Group Company(ies) and/ or undertake slump sale of the Business of any Group Company(ies) (or part thereof) (“**Identified Sale Transaction**”); (d) undertake capital reduction in any Group Company(ies); and (e) require any Group Company to undertake Public Offer and list the shares of such Group Company(ies) on any of the Stock Exchanges. Any Identified Merger, Identified Demerger and/ or Identified Sale Transaction shall be undertaken at the Big 4 FMV. The Founders and other Securityholders shall fully and duly cooperate with the Investor and the Company in undertaking/ carrying out any of the Specified Actions (including to continue being classified as ‘Promoters’ for the purpose of any Public Offer of the Company

and adhering to any lock-in requirements with respect to the Dilution Instruments held by it). The Founders and the other Securityholders shall not object in undertaking any Specified Actions, and shall do all acts, deeds and things necessary to give effect to the Specified Actions (including as specified by the Investor) including without limitation providing necessary consents and waivers, providing necessary information for diligence purposes, providing customary representations, warranties, undertakings and indemnities (limited to the extent of the value of the Dilution Instruments held by them in the Company).

11. LIQUIDITY SHARES AND PUT OPTION OF THE FOUNDERS

- 11.1. Subject to achievement of Milestone 1 by the Company within the Milestone 1 Achievement Period (including Grace Period), on and from the expiry of 12 (twelve) months from the Closing Date but prior to the expiry of 60 (sixty) months from the Closing Date (“**Put Option Period**”), each Founder shall have a one time right to require the Investor to purchase any or all Liquidity Shares held by such Founder at the Big 4 FMV (“**Put Option**”). For the avoidance of doubt, it is hereby clarified that once the Put Option has been exercised by a Founder (and such Put Option has not been revoked in accordance with Clause 11.2), such Founder shall not be entitled to exercise the Put Option again.
- 11.2. Process. Upon the exercise of the Put Option by the relevant Founder within the Put Option Period, such Founder shall issue a Notice (“**Put Option Notice**”) to the Investor providing: (i) number of Liquidity Shares that such Founder requires the Investor to purchase from him (“**Put Shares**”); (ii) the Big 4 FMV of the Put Shares and the aggregate consideration required to be paid by the Investor for the Transfer of the Put Shares by such Founder to the Investor; (iii) a valuation report from a Big 4 Accounting Firm supporting the Big 4 FMV of the Put Shares; and (iv) the proposed date for the closing of the Transfer of the Put Shares (which shall be at least 30 (thirty) Business Days from the date of delivery of the Put Option Notice to the Investor). A Put Notice once issued shall not be revocable except with the prior written consent of the Investor. The relevant Founder shall provide customary representations, warranties and indemnities (limited to the extent of the value of the Dilution Instruments held by them in the Company) to the Investor with respect to the Transfer of Put Shares. The relevant Founder shall ensure that the Put Shares are Transferred to the Investor free from all Encumbrances.
- 11.3. The Investor may purchase the Put Shares either by itself or through any Person nominated by it.
- 11.4. Notwithstanding the exercise of the Put Option by a Founder, the Investor shall be entitled to exercise its Total Call Option between the time period of exercise of the Put Option until the Transfer of Put Shares by such Founder to the Investor, and the Put Option shall, at all times, be subject to the Total Call Option. For avoidance of doubt, in case of Total Call Option, terms of Clause 9 (*Investor Call Option*) will apply and override the provisions of this Clause 11. For e.g., if a Founder exercises the Put Option on a particular date, and such Founder commits a Material Breach between the time period of exercise of the Put Option until the Transfer of Put Shares by such Founder to the Investor is consummated, then the Investor shall be entitled to exercise its Total Call Option in accordance with Clause 9 (*Investor Call Option*), notwithstanding the exercise of the Put Option prior to the Call Option. For avoidance of doubt, the Put Option shall not be overridden by any other Call Options other than the Total Call Option.

12. TAG ALONG RIGHT OF THE FOUNDERS

- 12.1. In the event that the Investor proposes to Transfer Dilution Instruments held by it to the New Buyer which is a Change of Control Transaction and the Investor does not exercise its Drag Along Right (“**Specified CoC Sale**”), each Founder shall be entitled to Transfer up to such number of Dilution Instruments held by him that is proportionate to the number of Dilution Instruments being Transferred by the Investor (“**Tag Shares**”), together with the Transfer of Dilution Instruments by the Investor and on the same terms and conditions applicable to the Investor

subject to withholding tax obligations under Applicable Law and/ or to meet the legal requirements and/ or any adjustment needed for different types of Dilution Instruments (to be determined by the Investor and the New Buyer) (“**Tag Along Right**”). For the avoidance of doubt, it is hereby clarified that the Tag Along Right shall not be applicable in the event the Investor exercises its Drag Along Right as set forth in Clause 10 above.

- 12.2. Process. Upon occurrence of a Specified CoC Sale, the Investor shall issue a Notice to the Founders setting out: (a) the number of Tag Shares that each Founder is entitled to Transfer; (b) price per Tag Share; (c) details of the New Buyer; (d) the proposed date for the closing of the Transfer; and (e) all other material terms and conditions of the proposed Transfer (“**Tag Along Notice**”). If a Founder intends to exercise its Tag Along Right with respect to any or all of the Tag Shares, such Founder shall issue a Notice to the Investor, within 15 (fifteen) days of receipt of the Tag Along Notice, (“**Tag Acceptance Notice**”). Upon giving such Tag Acceptance Notice, such Founder shall be deemed to have exercised its Tag Along Right. The Founders shall do all acts, deeds and things necessary to give effect to the Tag Along Right including the Founders providing the customary representations, warranties and indemnities (limited to the extent of the value of the Dilution Instruments held by them in the Company), as needed by the New Buyer. The Founders shall ensure that the Tag Shares are Transferred free from all Encumbrances.
- 12.3. If a Founder exercises its Tag Along Right, the Specified CoC Sale shall be conditional upon such Proposed Transferee acquiring the Tag Shares simultaneously with the acquisition of the Dilution Instruments being sold by the Investor, on the same terms and conditions set forth in the Tag Along Notice, subject to withholding tax obligations under Applicable Law and/ or to meet the legal requirements and/ or any adjustment needed for different types of Dilution Instruments (to be determined by the Board). Provided that, if the Founder defaults / fails to Transfer the Tag Shares in accordance with the provisions of this Clause 12, then the Investor shall have the right to Transfer additional Dilution Instruments (equivalent to Tag Shares) to the New Buyer.
- 12.4. Notwithstanding anything provided in this Clause 12, the Investor may, at any time prior to the completion of the Transfer of Dilution Instruments to the New Buyer, exercise its Call Option and / or Drag Along Right, and in such case, terms of Clauses 9 (*Investor Call Option*) and / or 10 (*Drag Along Right of the Investors*), as relevant, will apply and override the provisions of this Clause 12.

13. LIQUIDATION PREFERENCE

- 13.1. In a Liquidity Event, the holders of Series A1 CCPS (“**Eligible Holder**”) in respect of Series A1 CCPS held by them, shall be entitled to receive in preference to all holders of Equity Shares in respect of the Equity Shares held by them, the higher of (“**Liquidation Preference Entitlement**”) (a) Liquidation Preference Amount and (b) the amount that such Eligible Holder would receive under Applicable Law for such Liquidation Event, in respect of such Eligible Holder’s Series A1 CCPS, had such Series A1 CCPS been converted to Equity Shares.
- 13.2. Facilitation of Adjustment. The Company, the Founders and the other Securityholders shall take all required measures permissible under Applicable Law, as may be necessary to ensure that the Eligible Holder receives its Liquidation Preference Entitlement including incremental issuance or Transfer of any Dilution Instruments to the Eligible Holder to facilitate the realisation of the Liquidation Preference Entitlement (including by adjustment of the conversion ratio or buy-back of Dilution Instruments held by the Founders and the other Securityholders(s)) at the option of the Eligible Holder, to ensure that the Eligible Holder realise their Liquidation Preference Amount.
- 13.3. If the Eligible Holder is restrained from receiving the Liquidation Preference Entitlement pursuant to any provision of Applicable Law, then the Founders and the other Securityholders shall hold the Liquidation Preference Entitlement (to the extent cannot be received by the Eligible

Holder) in trust. Further, Investor shall be entitled to nominate a Person to receive the Liquidation Preference Entitlement on its behalf.

14. STOCK OPTIONS

- 14.1. The Company and the Founders shall ensure that immediately upon exercise of any Stock Option but prior to issuance of Shares to the holder of such Stock Option, such Stock Option holder executes a Deed of Adherence and is bound by the terms of this Agreement including the obligations applicable to other Securityholders (other than the Founders and the Investors) under this Agreement including under Clauses 7 (*Transfer Restrictions*), 9 (*Investor Call Option*), 10 (*Drag Along Right of the Investors*) and 13 (*Liquidation Preference*).
- 14.2. The Investor shall at all times have the right to purchase the Shares issued pursuant to the exercise of Stock Options, from the holder of such Shares at the Big 4 FMV.
- 14.3. The Company and the Founders shall ensure that the Stock Option Plan contains a provision for imposing and effecting the relevant obligations contained under Clauses 7 (*Transfer Restrictions*), 9 (*Call Option of the Investor*), 10 (*Drag Along Right of the Investors*), 14 (*Stock Options*) and such other obligations under this Agreement as may relevant to the holders of Stock Option or holders of Shares issued pursuant to exercise of Stock Options.

15. ADDITIONAL PROVISIONS / COVENANTS

- 15.1. Founder Covenants. Notwithstanding anything provided in this Agreement and in addition to the covenants set forth herein, the Founders shall take all actions in their power to ensure compliance by the Company of its obligations under this Agreement and the terms of this Agreement. Any material breach of terms of this Agreement by the Company, shall be deemed to be a material breach of terms of this Agreement by the Founders.
- 15.2. Restrictive Covenants.
 - 15.2.1. During the Non-Compete Period (*defined below*), each Founder shall devote all of his business and working time in respect of the management and operations of the Group.
 - 15.2.2. The Founders shall not during the Non-Compete Period (*defined below*), whether by himself or with any third party, directly or indirectly,: (i) engage in, whether as an individual, through a partnership or as a shareholder, joint venture partner, collaborator, consultant, investor, employee, advisor, principal contractor or subcontractor, director, trustee, committee member, office bearer, agent or in any other manner whatsoever, whether for profit or otherwise; (ii) assume management of or take responsibility in; and/or (iii) set up, solicit business on behalf of, render any services to, engage in, guarantee any obligations of, extend credit to, or have any ownership interests or other affiliation in, any business that: (a) competes with the Business of the Company or the business of the Group, or part thereof, from time to time; or (b) carries on business that is similar to the Business of the Company or the business of the Group, or part thereof, from time to time. Provided that, the Founders shall be permitted to hold (i) passive investments in mutual funds; (ii) investments in listed companies (where the shareholding of the Founders does not exceed 1% (one percent) of the share capital of the listed company); and (iii) investments in private or unlisted company so long as such shares or other securities is not more than 3% (three per cent.) of the issued share capital of such company and no special rights are provided to the Founder, and the restrictions provided herein above in Clause 15.2.2 shall not apply in such respects.
 - 15.2.3. “**Non-Compete Period**” shall, with respect to the relevant Founder, mean the period commencing from the Closing Date and ending on the later of:

- (a) 24 (twenty four) months from the relevant Founder ceasing to be employed by the Group;
 - (b) 12 (twelve) months from the later of the relevant Founder ceasing to hold any shareholding of the Company on a Fully Diluted Basis; and
 - (c) 24 (twenty four) months from the later of the relevant Founder ceasing to be a director of the Group.
- 15.2.4. During the Non-Compete Period, the Founders shall carry out within the Group and refer to the Group, all opportunities that are offered or become available to the Founders that relate in any manner to the Business and operations of the Group from time to time.
- 15.2.5. The Founders shall not, during the Non-Compete Period: (a) directly or indirectly, solicit, hire or attempt to hire for any purpose whatsoever, any employee of the Group or any Person who was an employee of the Group at any time during the last 12 (twelve) months prior to the date of such proposed employment / engagement; and/or (b) solicit any customers / clients of the Group or persuade any customers / clients to cease doing business or reduce the amount of business with the Group or damage in any way the business relationship between the Group and its customers/ clients.
- 15.2.6. The Founders shall not, directly or indirectly, make or cause to be made and shall cause his Affiliates, and/or their officers, directors, employees, agents and representatives to not make or cause to be made, any disparaging, denigrating, derogatory, misleading or false statement orally or in writing to any Person or on any platform/forum or through any medium, about the Group, its respective members, directors, key managerial personnel, the investment or business strategy or plans, policies, practices or operations of the Group.
- 15.2.7. Given the nature of the role and responsibility of the Founders, the Founders agree that: (a) the restriction herein (including under Clause 15.2) is reasonable to protect the goodwill of the Company; (b) the Investor is investing in the Company materially relying on Clause 15.2; (c) they do not have any interest in any entity carrying on business of the nature identified in Clause 15.2.2 above; and (c) no separate consideration is payable to the Founders for Clause 15.2, and the mutual covenants in the Transaction Documents is sufficient consideration for Clause 15.2, the receipt and sufficiency of which is duly acknowledged hereby.
- 15.3. Investor's Right to Conduct Business. The Investor and its Affiliates invest in numerous companies, some of which may compete with the Group. It is irrevocably agreed by the Parties that the Investor or any of its Affiliates shall be entitled to make direct / indirect investments and/or establish ventures and/or enter into collaborations of all kinds and/or undertake its own business, including in the same field of business (in any manner) as that of the Group, without requiring any consent or no-objection from any of the other Party.

Notwithstanding the foregoing and except as provided herein below, so long as the Milestones are achieved by the Company within the relevant Milestone Achievement Periods and no Material Breach has occurred, the Investor shall not make any investment in any entity which (as on date of such investment) generates more than 50% of its revenue from manufacturing and/ or selling lab grown diamonds / carbon stone and / or jewellery products made therefrom. Provided that: (i) the aforesaid restrictions shall not apply with respect to any investments made in mutual funds and any other professionally managed investment funds (such as alternative investment funds and portfolio management services); and (ii) if at any given point in time, the Company is not undertaking any of the aforesaid business activities, then the Investor shall not be restricted in

investing in entities which carry out the business which the Company is not engaged in such activity at such point in time. For avoidance of doubt, it is clarified that the Company shall not be restricted from making any investments in entities which do not generate more than 50% of its revenue from manufacturing and/ or selling lab grown diamonds / carbon stone and / or jewellery products made therefrom.

- 15.4. Business Plan. The Founders shall provide a draft of the Business Plan for each Financial Year within 60 (sixty) days from the end of the previous Financial Year. The Business Plan for a Financial Year, once approved by the Investor, shall be implemented by the Company. The Founders shall be obligated to ensure compliance with the provisions of this Clause. If the Founders fail to provide the draft Business Plan with the aforesaid time period, then the Investor shall be entitled to prepare the draft Business Plan and the Company shall adopt such draft Business Plan prepared by the Investor.
- 15.5. Compliance. The Company shall and the Founders shall require the Company to cause the Group to: (a) comply with Applicable Law (including the provisions of the Act), in relation to its Business, affairs and operations, as are applicable, (b) operate in accordance with the Business Plan, (c) put in place appropriate systems and processes for internal financial controls, including appointment of such statutory and internal auditor, as acceptable to and required by the Investor, (d) ensure that all transactions with Affiliates or Related Parties of the Group shall be at an arm's length basis and subject to approvals under Applicable Law, and if such transaction is with Founders / its Affiliates, the approval of the Investor shall be required, (e) be in compliance with this Agreement and facilitate exercise of rights available to the Investor and (f) undertake corporate governance in compliance with the Applicable Law (including upon listing of the Investor).

The Founders acknowledge that the Company is a deemed public company under the provisions of the Act, and that the Investors is in the process of getting its shares listed in the stock exchanges. Accordingly, the Company will be required to comply with the relevant provisions of law applicable to such company or companies including *inter-alia* the Listing Regulations, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2018, and the Act.

- 15.6. Foreign Corrupt Practices Act. The Company shall not and the Founders shall ensure that the Group shall not and shall not authorize any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to promise, authorize or make any payment, or otherwise contribute any item of value, directly or indirectly, to any third party, including any Non-U.S. Official (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended) (the "FCPA"), in each case, in violation of the laws in relation to bribery and anti-corruption practices including FCPA, the U.K. Bribery Act or Prevention of Corruption Act, 1988 ("PCA") or any other applicable anti-bribery or anti-corruption law (collectively the "ABAC Laws"). The Company shall and the Founders shall ensure that the Company shall cease all of its or their respective activities, as well as remedy any actions taken by the Group or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the ABAC Laws or any other applicable anti-bribery or anti-corruption law. The Company shall and the Founders shall ensure that the Company shall maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems, record keeping, establishing appropriate due diligence requirements, staff training and procedures for reporting specific transactions) to ensure compliance with the ABAC Laws or any other applicable anti-bribery or anti-corruption law. Upon request, the Group shall provide to the Investor, responsive information and/or certifications concerning its compliance with applicable anti-corruption laws. The Company shall and the Founders shall ensure that the Company shall promptly notify the Investor if the Group and / or the Founder becomes aware of any allegation, voluntary disclosure, investigation, prosecution, or other enforcement action related to the ABAC Laws or any other applicable anti-bribery or anti-corruption law.

- 15.7. Statutory Auditor. The Company shall at all times appoint a reputed chartered accountant firm, as approved by the Investor in writing, as the statutory auditor of the Company.
- 15.8. FDI Regime. The Founder shall ensure that the business of the Group, from time to time, shall be such that 100% (one hundred percent) foreign direct investment is permissible in the Group under the automatic route without sectoral conditions in accordance with the extant foreign exchange control laws of India (including but not limited to the Foreign Exchange Management Act, 1999 (and the rules and regulations framed thereunder) (“**FEMA**”) and the extant Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (“**FDI Policy**”)). The Founders confirm that the business of the Group currently undertaken by the Company, and that which would be undertaken by the Group pursuant to the Closing Date, would comprise only of such activities in which investment from non-residents is permitted to the extent of 100% (one hundred percent) under the automatic route without sectoral conditions under Applicable Laws.
- 15.9. Rights in Group Companies. The Investor shall have all rights available under this Agreement, in respect of all the Group Companies that are investees of the Company from time to time (*mutatis-mutandis*), and all such rights shall form part of the articles of association or other charter documents of such Group Companies (to the maximum extent permitted under Applicable Law) till the termination of this Agreement in accordance with its terms. The Company shall and the Founders shall take steps within their power to cause such Group Company to provide such information and execute such documents as may be required by the Investor as contemplated in the Transaction Documents. It is clarified that in such a context, the capitalized terms used under this Agreement shall be read and interpreted in the context of such Group Company and any references to “Company” shall be deemed to be replaced with a reference to such Group Company in which the rights of the Investor are being exercised (*mutatis-mutandis*).
- 15.10. Charter Documents. The Charter Documents shall at all times reflect the terms of and be consistent with this Agreement. If any conflict exists between the Charter Documents and the terms of this Agreement, the terms of this Agreement alone shall prevail, and the Charter Documents shall be amended (from time to time) to incorporate and give effect, to the maximum extent possible, to the terms contained in this Agreement and the Parties agree to take all necessary actions in this regard.
- 15.11. Proprietary Rights. The Company and the Founders shall ensure that all Proprietary Rights of the Company shall be the exclusive property of the Company and registered in the name of the Company (if such registration is required under Applicable Law). To the extent if any Proprietary Rights used or required by the Company are held by the Founder(s) or their Affiliates, such Founder(s) shall ensure that such Proprietary Rights are immediately transferred and assigned to the Company for no consideration and take all necessary steps to assign and if required register such Proprietary Rights in the name of the Company. The Company and the Founders shall take prompt and necessary steps to: (a) protect the Proprietary Rights of the Company; and (b) assess and verify that none of the Proprietary Rights that the Company currently uses, owns, or proposes to use or own does not infringe on any Proprietary Rights owned by third parties.
- 15.12. Investor’s Brand Protection. The Company shall not, and the Founders shall ensure that the Company does not, use (in any manner whatsoever including for any marketing or advertising purposes) any Proprietary Rights of the Investor including brand name, designs, logos and trademarks of the Investor without the prior written consent of the Investor.
- 15.13. Accounts. Subject to Applicable Law, the Company shall prepare its financial statements in accordance with the generally accepted accounting principles for India or as required by the Investor.

- 15.14. Control by the Investors: The Parties agree and acknowledge that only upon consummation of the transactions under the Share Subscription Agreement and Closing thereunder is achieved, the Investor shall be in Control of the Company and its financial statements shall be consolidated to include the financials of the Company.

16. REPRESENTATION AND WARRANTIES

- 16.1. Each of the Founders and the Company, jointly and severally, represent and warrant, on the Execution Date and as of the Closing Date, that:

16.1.1. it/he has full power and authority to execute, deliver and perform its/his obligations under the Transaction Documents and: (i) in respect of the Company, all necessary corporate, shareholder and other actions have been (or, prior to the Closing Date, will be) taken to authorize such execution, delivery and performance; (ii) in respect of each Founder, he is competent to contract and is not incapacitated from entering into the Transaction Documents; and (iii) in respect of the Company and the Founders, it/they are not subject to any insolvency proceedings or threatened insolvency proceedings in writing;

16.1.2. the Transaction Documents constitute its/his legal, valid and binding obligation, enforceable in accordance with its terms except as such enforceability may be limited under applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights;

16.1.3. the execution, delivery and performance of its/his obligations under the Transaction Documents do not and will not: (a) contravene any Applicable Law or any judgment or decree of any court having jurisdiction over it/him; or (b) conflict with or result in any breach or default under any agreement, instrument, regulation, license or authorization binding upon it/him or any of its/his Assets, and in case of the Company, contravene or conflict with the Charter Documents;

16.1.4. there are no Claims against it/him or affecting any of its/his Assets and there has been no event or occurrence which, in each case, might reasonably be expected to give rise to a material adverse effect for the Investor's shareholding in the Company; and

16.1.5. there are no Prior Agreements.

- 16.2. The Investor makes the following representations and warranties to the other Parties on the Execution Date and as of the Closing Date:

16.2.1. it has full power and authority to enter into the Transaction Documents and to perform its obligations under the Transaction Documents;

16.2.2. the Transaction Documents constitute legal, valid and binding obligation on it enforceable against it in accordance with the terms contained therein, except as such enforceability may be limited under applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights;

16.2.3. neither the execution and delivery of the Transaction Documents, the consummation of the transactions contemplated thereunder, nor the fulfilment of or compliance with the terms and conditions of the Transaction Documents, conflict with or result in a breach of or a default under any of the terms, conditions or provisions of any Applicable Law or any covenant or agreement or instrument to which it is a party, or by it is bound, or its charter documents; and

- 16.2.4. it has been duly incorporated/ organized and is validly subsisting under Applicable Law and it is not subject to any insolvency proceedings.

17. TERMINATION

- 17.1. This Agreement and all the rights and obligations of the Parties under this Agreement shall terminate upon the occurrence of the following:

17.1.1. Termination on ceasing to hold Dilution Instruments. This Agreement shall terminate vis-à-vis a Party to this Agreement (other than the Company) upon such Party ceasing to be a Securityholder of the Company.

17.1.2. Termination by mutual consent. This Agreement may be terminated by mutual agreement between the Investor and the Founders.

17.1.3. Termination upon termination of the Share Subscription Agreement: This Agreement shall automatically terminate upon the termination of the Share Subscription Agreement (prior to the Closing Date).

17.1.4. Termination upon Public Offer. This Agreement shall stand terminated upon the completion of a Public Offer, where needed under Applicable Law.

- 17.2. Survival. The provisions of Clause 1 (*Definitions and Interpretation*), Clause 4.4 (*Non-Executive Status and Indemnification*), this Clause 17.2 (*Survival*), Clause 18 (*Miscellaneous*), such other provisions as expressly recorded in this Agreement and any accrued rights and obligations of the Parties (prior to the termination of this Agreement) shall survive the termination of this Agreement subject to Applicable Law.

18. MISCELLANEOUS

- 18.1. Confidentiality. Subject to Applicable Law, each Party shall ensure that it maintains confidentiality regarding the contents of this Agreement and the information pertaining to the Securityholders. The Company and the Founders shall and shall ensure that its respective employees, directors, successors, and representatives maintain confidentiality regarding the business operations and affairs of the Group. Provided that, the Parties shall be permitted to disclose all aspects of this transaction to their respective employees, directors, investment bankers, accountants, advisors, legal counsel in each case only on a need-to-know basis and subject to such Persons being under appropriate non-disclosure obligations imposed by professional ethics, law or contracts on terms no less favourable than those contained herein. The Investor is entitled to and may disclose all confidential information about the Group to its Affiliates, and to their direct or indirect investors, lenders (including prospective investors and lenders), advisors and any potential purchasers of Dilution Instruments or Assets of the Group. Further, the Parties shall be permitted to disclose confidential information which (i) is in the public domain, other than by breach of this Agreement; (ii) is required to be disclosed under any Applicable Law; (iii) is later acquired by a Party from a source not obligated to any other Party, or its Affiliates, to keep such information confidential; or (iv) was previously known or already in the lawful possession of a Party, prior to disclosure by any other Party.

- 18.2. Notices. Unless otherwise provided herein, all Notices shall be made in writing, in the English language and by letter (delivered by hand, courier or registered post), email or facsimile transmission (save as otherwise stated), to the addresses set out in **Schedule 1**, unless the address is changed by Notice. All notices shall be deemed to have been validly given on (i) the Business Day immediately after the date of transmission with confirmed answer back, if transmitted by facsimile transmission (subject to a confirming copy being sent by registered mail), or (ii) the

expiry of 7 (seven) days after posting, if sent by registered mail, or (iii) the business date of receipt, if sent by courier, or (iv) date of receipt, if sent by email.

- 18.3. Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, permitted assigns, heirs, executors and administrators of the Parties. Subject to Clauses 7.5, 7.6, and 18.4, the Agreement and the rights and/or obligations of Investor herein may be assigned/ novated by the Investor to the Person to whom the Dilution Instruments held by it are Transferred or any Person who invests in the Company or to any of its Affiliates (with or without Transfer of any Dilution Instruments), in accordance with this Agreement, without any further act from the Founders. The Founders and other Parties shall not assign any of the rights or obligations under this Agreement without obtaining the written consent of the Investor.
- 18.4. Aggregation of Holding. The holding of Dilution Instrument by an Affiliate, if any, shall be considered to be part of the holding of the relevant Securityholder for the purposes of this Agreement.
- 18.5. Relationship between Parties. The Parties hereto are independent contractors. Nothing in the Transaction Documents shall constitute any of the Parties a partner or agent or representative of the other, nor shall the execution and implementation of the Transaction Documents confer on any of the Parties any power or right to bind or impose any obligation on any other Party.
- 18.6. Entire Agreement. This Agreement, together with all the schedules, exhibits and annexures hereto, forms a single agreement between the Parties hereto. The Transaction Documents constitute the entire understanding between the Parties with regard to the subject matter hereof and supersede all other agreement(s) between the Parties relating to the subject matter hereof.
- 18.7. 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.
- 18.8. Amendments and Waivers. No amendment or variation of this Agreement shall be binding on any Party unless such amendment or variation is in writing and duly signed by all Parties. Provided that all amendments and supplements to this Agreement by way of the Deed of Adherence contemplated in this Agreement shall not require consent of the Founders and other Securityholders (if any). Provided that Investor and Company shall be entitled to amend this Agreement for enabling investments by any new investor into the Company and such amendment shall be binding on the Founders and other Securityholders (if any) from time to time, so long as the scope of their rights and obligations is not materially modified.
- 18.9. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future Applicable Law - (a) such provision or part thereof shall be fully severable; and (b) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision, or by its severance here from, to the extent permissible under the Applicable Law. Without prejudice to the foregoing, the Parties hereto shall mutually agree to alternate legally valid and enforceable provisions, as similar to, in terms and effect, such illegal, invalid or unenforceable provisions, as may be possible.
- 18.10. Further Actions. The Parties shall do or cause to be done such further acts, deeds, matters and things and execute such further documents and papers as may reasonably be required to give effect to the terms of this Agreement and Transaction Documents.

- 18.11. Waivers, Delays or Omissions. No delay or omission in exercise of any right, power or remedy accruing to the Parties, upon any breach or default of any of the Parties under the Transaction Documents, shall impair any such right, power or remedy of any of the Parties nor shall it be construed to be a waiver of any such breach or default, or an acquiescence thereof, or of any similar or other breach or default thereafter occurring. Any waiver, permit, consent or approval of any kind or character, on the part of the Parties of any breach or default under the Transaction Documents, or of any provisions or conditions of the Transaction documents, must be in writing and shall be effective only to the extent specifically set forth in such writing.
- 18.12. Cumulative Remedies. All the remedies available to the Parties, either under this Agreement or under Applicable Law, equity or otherwise, will be cumulative and not alternative or exclusive of any rights, powers, privileges or remedies provided by this Agreement, Applicable Law or otherwise. No single or partial exercise of any right, power, privilege or remedy under this Agreement, Applicable Law, equity, or otherwise shall prevent any further or other exercise thereof or the exercise of any other right, power, privilege or remedy.
- 18.13. Specific Performance. Subject to Clause 18.12 (*Cumulative Remedies*), this Agreement shall be specifically enforceable. Each of the Parties shall be entitled to seek an injunction, restraining order, suit for specific performance and/or such other equitable relief, as a court or arbitrator of competent jurisdiction may deem necessary or appropriate, to restrain the other Parties from committing any violation or enforce the performance of the covenants, representations, warranties and obligations contained in this Agreement. The Parties agree that the Investor may suffer irreparable damage and harm in the event of any breach of this Agreement, and the remedies in monetary terms in respect of such breach may be inadequate or inequitable.
- 18.14. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of India. Subject to Clause 18.15 (*Dispute Resolution*) below and except in case of appellate and enforcement proceedings, the courts in NCR (National Capital Region) shall have exclusive jurisdiction on the matters arising from or in connection with this Agreement, including for the purposes of obtaining interim reliefs.
- 18.15. Dispute Resolution. All disputes and differences arising out of or in connection with any of the matters set out in this Agreement (“**Dispute**”), shall at the first instance be resolved through good faith negotiations between the Parties hereto, which negotiations shall begin promptly, within 15 (fifteen) calendar days after a Party has delivered to the other Party a written request for such consultation. If the Parties are unable to resolve the Dispute in question within 15 (fifteen) calendar days of the commencement of negotiations, the Dispute (to the extent arbitrable) may be referred by either Party to arbitration and thereupon shall finally and conclusively be settled by arbitration in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (“**SIAC Rules**”) for the time being in force, which rules are deemed to be incorporated by reference in this Clause. The arbitral tribunal shall consist of a sole arbitrator to be appointed in accordance with the SIAC Rules. The arbitrator shall render a decision in writing with respect to the appropriate award to be rendered or remedy to be granted pursuant to the Dispute. The arbitration shall be conducted in English, and the venue for arbitration shall be NCR (National Capital Region). The arbitrators shall be entitled to award costs of the arbitration. Each Disputing Party shall participate in good faith to reasonably expedite (to the extent practicable) the conduct of any arbitral proceedings commenced under this Agreement. All connected Disputes and all Disputes under any Transaction Documents shall be clubbed. Each Party shall continue to perform its obligations under the Agreement during the pendency of the Dispute. Nothing shall preclude the Investor from seeking interim equitable or injunctive relief, or both, from the competent courts having jurisdiction (subject to Clause 18.14 (*Governing Law and Jurisdiction*)) to grant relief on any Disputes or differences arising from this Agreement. Provided that, the pursuit of equitable or injunctive relief shall not be a waiver of the right of the Parties to pursue any remedy through the arbitration described in this Clause 18.15.

18.16. Costs. The Company shall bear the expense of the stamp duties and fees relating to this Agreement and issuance of Dilution Instruments to the Investor contemplated under the Transaction Documents.

SCHEDULE 1 - DETAILS OF THE PARTIES

PART A | PARTICULARS ABOUT THE COMPANY

Brief Particulars about the Company	Details
Registered Office	Address: Plot No. 44, Ground Floor, Sector -32, DLF QE, Gurgaon, Haryana, India, 122002.
Address for Notices	Address: Plot No. 44, Ground Floor, Sector -32, DLF QE, Gurgaon, Haryana, India, 122002. Email: sharad@etheradiamonds.com ; and nitesh@etheradiamonds.com
Authorised, issued and paid up share capital as on the Execution Date	Authorised capital: INR 20,00,000 (Indian Rupees Twenty Lakh) consisting of 1,00,000 (One Lakh) Equity Shares of INR 10 (Indian Rupees Ten) each only and 1,00,000 (One Lakh) Preference Shares of INR 10 (Indian Rupees Ten) each only. Issued and paid-up capital: INR 2,00,000 (Indian Rupees Two Lakh) consisting of 20,000 (Twenty Thousand) Equity Shares of INR 10 (Indian Rupees Ten) each only.

PART B | PARTICULARS ABOUT THE FOUNDER

Sl. No.	Name of the Founder	Particulars and Information for Notices and E-mails
1.	Nitesh Jain	Email ID: nitesh@etheradiamonds.com Address: 303 Westblock, R.J Gardens, Eshwaralayout, Indiranagar, Bengaluru, Karnataka, 560038. Phone No: +91 7975256324
2.	Sharad Arora	Email ID: sharad@etheradiamonds.com Address: Villament 140204, Shriram Chirping Woods, 12th Main, Shubh Enclave, Harlur Road, Bengaluru - 560102. Phone No: +91 9999700593

PART C | PARTICULARS ABOUT THE INVESTOR

Sl. No.	Name of the Investor	Particulars and Information for Notices
1.	BlueStone Jewellery & Lifestyle Limited	Email ID: gaurav.kushwaha@bluestone.com ; rumit.dugar@bluestone.com Address: Site No. 89/2, Luva Kusha Arcade, Munnekolal Village, Outer Ring Road, Marathahalli, Bengaluru, 5600037.

		<p>Corporate Office: 302, Dhantak Plaza, Makwana Rd, Gamdevi, Marol, Andheri East, Mumbai, Maharashtra 400059</p> <p>Attention: Gaurav Singh Kushwaha; Rumi Dugar</p> <p>Phone No: +91 9620100067; +919920981318</p>
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SCHEDULE 2 – SHAREHOLDING PATTERN OF THE COMPANY ON A FULLY DILUTED BASIS

PART A | AS ON THE EXECUTION DATE

Sr. No.	Name of the Shareholder	No. of Equity Shares	Shareholding percentage on a Fully Diluted Basis*
1.	Nitesh Jain	10,000	46.16%
2.	Sharad Arora	10,000	46.16%
3.	ESOP	1,666	7.69%
Total		21,666	100%

PART B | AS ON THE CLOSING DATE

Sr. No.	Name of the Shareholder	No. of Equity Shares	No. of Series A1 CCPS	Shareholding percentage on a Fully Diluted Basis
1.	Nitesh Jain	10,000	-	12%
2.	Sharad Arora	10,000	-	12%
3.	Bluestone Jewellery and Lifestyle Limited	100	61,567	74%
4.	ESOP Pool	1,666	-	2%
Total		21,766	61,567	100%

**Rounded off to two decimals*

SCHEDULE 3 – PRINCIPLES TO BE INCORPORATED IN THE DEED OF ADHERENCE

The Deed of Adherence executed between the Transferor (if any), the Transferee and the Company shall, based on the classification set out below and contain the relevant terms listed below:

1. If the Transferor is a Founder/or any Securityholder (excluding Investor):
 - 1.1. The Transferee shall be bound by all the rights and obligations including the restrictions and obligation on the Transfer of Dilution Instruments applicable to the relevant Founder, as contained in the Transactions Documents.
 - 1.2. If the Transferor is not selling 100% of his Dilution Instruments, the Transferor shall continue to be bound by the terms of the Transaction Documents and only have such rights as agreed upon by the Transferor and the Company with the consent of the Investor.
 - 1.3. If the Transferor is selling 100% of his Dilution Instruments, the Transferor shall not be entitled to any rights under the Transaction Documents. The restrictive covenants and other obligations that by their nature survive termination of the Agreement shall continue to remain valid.
2. If the Transferor is the Investor:
 - 2.1. The Transferee shall be bound by the rights and obligations including restrictions on Transfer of Dilution Instruments contained in the Transaction Documents and applicable to the Investor.
 - 2.2. The Transferee and the Investor shall legislate the rights and obligations of the Investors being Transferred to the Transferee (if any).
3. Covenants of the Transferee / subscriber:
 - 3.1. The Transferee/subscriber shall as part of the Deed of Adherence agree, acknowledge, and undertake:
 - 3.1.1. that a copy of the Transaction Documents and the Charter Documents have been made available to it and that it accedes to and ratifies this Agreement.
 - 3.1.2. that it shall do nothing that derogates from the provisions of the Transaction Documents and the Charter Documents.
 - 3.1.3. that the Company shall not be bound to give effect to any act or voting rights exercised by it which are not in accordance with the Transaction Documents.
 - 3.1.4. to perform all the obligations of the Transferor in that capacity thereunder; and
 - 3.1.5. perform all the obligations expressed to be imposed on such a party to the Shareholders' Agreement;
 - 3.2. The Transferee/subscriber shall as part of the Deed of Adherence represent and warrant as under Clause 16 (*mutatis mutandis*).
 - 3.3. For the avoidance of doubt, nothing in this Deed of Adherence shall release the Transferor from any liability in respect of any obligations under the Shareholders' Agreement due to be performed prior to the date of this Deed of Adherence.

SCHEDULE 4 - RULES OF INTERPRETATION

In this Agreement, unless the context otherwise requires: (a) reference to any gender includes a reference to all genders; (b) reference to singular includes reference to the plural and vice versa; (c) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire Agreement and not to any particular clause, article or section of this Agreement; (d) headings and captions are used for convenience only and shall not affect the interpretation of this Agreement; (e) any reference to any statute or statutory provision shall include all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated) and such statute or provision as may be amended, modified, re-enacted or consolidated; (f) any reference to an agreement, instrument or other document (including a reference to this Agreement or any other Transaction Document) herein shall be to such agreement, instrument or other document as amended, supplemented or novated pursuant to the terms thereof; (g) the word “including” herein shall always mean “including, without limitation”; (h) 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 the essence; (i) the Recitals and Schedules to this Agreement form an integral part of this Agreement; (j) the term “consent” of any Party shall always mean prior written consent; and (k) all rights of the Investor may be exercised by the Investor either directly or through its Affiliates or permissible nominees.

SCHEDULE 5 – TERMS OF SERIES A1 CCPS

The Series A1 CCPS shall have the following terms and conditions, including certain rights vested in the holder of the Series A1 CCPS which are in addition to, and without prejudice to, the other rights of the holder of Series A1 CCPS under this Agreement. Unless otherwise expressly mentioned in this Agreement, the terms, preferences, rights and privileges of the Series A1 CCPS shall rank *pari passu* with the other series of Preference Shares, save and except the provisions of Clause 6.1. pertaining to the Threshold Limit and the Series A1 Conversion Price and the Series A1 Conversion Ratio set out in paragraph 3(b) below.

1. **Equity shares.** The number of Equity Shares to be issued to the holder of the Series A1 CCPS upon conversion shall, subject to the other terms and conditions set forth in this Agreement, be as set out in paragraph 3 below.
2. **Dividends**
 - (a) Subject to Applicable Law, the holders of Series A1 CCPS in respect of Series A1 CCPS shall be entitled to receive a cumulative dividend at a rate of 0.1% (zero point one percent) on par with the holders of other Preference Shares and shall be in priority of all Equity Shares.
 - (b) If the Company declares a dividend on Equity Shares at a rate, which is higher than the rate mentioned above in paragraph (a) above, the holders of Series A1 CCPS shall be entitled to receive such higher rate of dividend on the Series A1 CCPS, along with the holders of other series of Preference Shares for such Preference Shares in priority to holders of Equity Shares. The dividend entitlement of the holders of Series A1 CCPS shall be computed on an As If Converted Basis.
 - (c) The Company shall not declare and pay any dividend unless dividend is paid in accordance with this paragraph 2.
3. **Conversion.**
 - (a) The holders of Series A1 CCPS shall have the right to convert any or all of the Series A1 CCPS at their sole discretion and at any time within 19 (nineteen) years from the date of issuance of the Series A1 CCPS, into Equity Shares of the Company, without any additional payment to the Company for such conversion. Further, at the end of the 19th (nineteenth) year from the date of issuance of Series A1 CCPS, the Series A1 CCPS which are not so converted shall stand automatically converted into Equity Shares of the Company. If mandated by Applicable Law, Series A1 CCPS shall automatically convert to Equity Shares prior to listing of the Company's Shares on any Stock Exchange.
 - (b) The price paid per Series A1 CCPS is INR 2,724 (Indian Rupees Two Thousand Seven Hundred Twenty Four) ("**Series A1 Conversion Price**"). The Series A1 Conversion Price shall be adjusted in accordance with the terms specified under this Schedule. However, at any given point of time, the Series A1 Conversion Price shall not be adjusted to a price which is less than the fair market value of the Series A1 CCPS, ascertained as on the date of issuance of such Series A1 CCPS. As on the Closing Date, each Series A1 CCPS shall be convertible into 1 (one) Equity Share if the Series A1 Conversion Price is INR 2,724 (Indian Rupees Two Thousand Seven Hundred Twenty Four) ("**Series A1 Conversion Ratio**"), and the Series A1 Conversion Ratio shall be suitably modified for a change in the Series A1 Conversion Price. Provided that, subject to achievement of relevant Milestones by the Company, all Series A Category CCPS issued by the Company shall convert into such number of Equity Shares which constitutes not more than 74% (seventy four percent) of the share capital of the Company (at the time of last of such conversion) on a Fully

Diluted Basis, and to that extent the Series A1 Conversion Ratio shall automatically stand amended.

- (c) The Series A1 Conversion Price shall be subject to adjustments as set out in paragraph 3 (e), paragraph 5, paragraph 6 and the remaining provisions of this Schedule.
- (d) Upon conversion of the Series A1 CCPS, no fractional Equity Shares shall be issued and allotted to the holders of Series A1 CCPS. In the event, there occurs a situation where any fractional Equity Shares need to be issued to the holders of Series A1 CCPS upon exercise of their conversion right or due to compulsory conversion, such fraction shall be rounded up to the nearest whole number.
- (e) The Series A1 Conversion Price in effect from time to time for the Series A1 CCPS shall be subject to adjustments as follows:
 - (i) In the event the outstanding Equity Shares shall be sub-divided by share split, share dividend, bonus or otherwise, into a greater number of Equity Shares, the Series A1 Conversion Price shall, concurrently with the effectiveness of such subdivision, be proportionately adjusted (i.e. each Series A1 CCPS shall be entitled to a greater number of Equity Shares). In the event the outstanding Equity Shares shall be combined or consolidated into a lesser number of Equity Shares, the Series A1 Conversion Price shall, concurrently with the effectiveness of such combination or consolidation, be proportionately adjusted (i.e. each Series A1 CCPS shall be entitled to lesser number of Equity Shares).
 - (ii) In the event the Company makes, or fixes a record date for the determination of holders of Equity Shares entitled to receive, any distribution payable in property or in securities of the Company, other than (a) for the adjustments pursuant to paragraph 5 herein; or (b) in connection with the dividend under paragraph 2 (but without prejudice to the provisions thereof), then and in each such event, the holder of Series A1 CCPS on converting the Series A1 CCPS shall receive, at the time of such distribution, the amount of property or the number of securities of the Company that they would have received had the Series A1 CCPS been converted into Equity Shares on the date of such event on an As If Converted Basis.
 - (iii) If the Equity Shares shall be changed into the same or a different number of Shares of any other class or classes of shares or other securities or property, whether by capital reorganization, reclassification or otherwise, then each Series A1 CCPS shall thereafter be convertible at the option of the holder into (a) such number of shares or other securities or property to which a holder of Equity Shares of the Company, deliverable upon conversion of such Series A1 CCPS, shall have been entitled, upon such reorganization, reclassification or other event; or (b) Equity Shares.
- (f) The Founders and the Company shall ensure that any adjustments to the Series A1 Conversion Price shall at all times be subject to Applicable Law.
- (g) Subject to paragraph 3, for the conversion of the Series A1 CCPS, the holder of Series A1 CCPS electing to convert the Series A1 CCPS shall, at such time as per its sole discretion, give a notice of conversion (“**Notice of Conversion**”) to the Company, specifying intention to convert the Series A1 CCPS held by it. Along with the Notice of Conversion, such holder of Series A1 CCPS shall transfer the Series A1 CCPS to the Company for conversion into Equity Shares in accordance with the procedure laid down under Applicable Law and the Agreement.

- (h) The Company shall, within 30 (thirty) calendar days of issue of Notice of Conversion, issue and deliver to the holder of Series A1 CCPS, credit to the demat account of the holder, the number of Equity Shares to which the holder shall be entitled as aforesaid, plus any declared and unpaid dividends on the converted Series A1 CCPS. In the event of a compulsory conversion, all outstanding Series A1 CCPS shall be converted into Equity Shares, in accordance with Applicable Law.
 - (i) The conversion of Series A1 CCPS shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Series A1 CCPS to be converted, and the holder of Series A1 CCPS shall, subject to Applicable Law, be treated as the holder of the Equity Shares on such date; provided, however, that if the conversion is in connection with a Public Offer, the Series A1 CCPS shall be converted into Equity Shares in accordance with Applicable Law.
 - (j) Upon the occurrence of each adjustment or readjustment of the Series A1 Conversion Price and/or Series A1 Conversion Ratio, as applicable, pursuant to this Schedule, the Company at its expense, shall immediately compute such adjustment or readjustment in accordance with the terms hereof and furnish to the holder of Series A1 CCPS, a certificate setting forth (i) such adjustment or readjustment; (ii) facts upon which such adjustment or readjustment is based; and (iii) the number of Equity Shares and the amount, if any, or other property which at the time would be received by the holder of Series A1 CCPS upon the conversion of or a distribution for the Series A1 CCPS. The Company shall, upon the written request of a holder of Series A1 CCPS, furnish or cause to be furnished to such holder of Series A1 CCPS a certificate setting forth (i) such adjustments and readjustments, (ii) the Series A1 Conversion Price at the time in effect, and (iii) the number of Equity Shares and the amount, if any, of other property which at the time would be received by such holder of Series A1 CCPS upon conversion of or a distribution for the Series A1 CCPS.
4. **Meeting and Voting rights.** The holders of Series A1 CCPS shall be entitled to attend meetings of all Shareholders of the Company and will be entitled to vote on all matters on an As if Converted Basis, from time to time, subject to Applicable Law. Further, if the holders of Series A1 CCPS are unable to exercise their voting rights in a meeting of all Shareholders, the Founders and other Shareholders holding Equity Shares shall vote in accordance with the instructions of the holders of such Series A1 CCPS at a general meeting or provide proxies without instructions, to the holders of such Series A1 CCPS for the purpose of a general meeting, equal to the percentage of Equity Shares in the Company that holders of such Series A1 CCPS would hold if they were to elect to convert the Series A1 CCPS into Equity Shares.
5. **Liquidation Preference.** Upon occurrence of Liquidity Event, the holders of Series A1 CCPS shall have preference over other Shareholders of the Company as per Clause 13 of this Agreement.
6. **Valuation Protection.** If the Company offers any Dilution Instruments to any Person after the issuance of Series A1 CCPS, at a price which is lesser than is INR 2,724 (Indian Rupees Two Thousand Seven Hundred Twenty Four) (i.e., the issuance price per Series A1 CCPS) (proportionately adjusted for any capital reorganization of the nature of stock splits, consolidation and subdivision of such Preference Shares) (“**Series A1 Dilution Price**”, and such offer of Dilution Instruments, “**Series A1 Dilutive Issuance**”), then the holders of Series A1 CCPS shall be entitled to broad based anti-dilution protection (“**Series A1 Valuation Protection Right**”) as more particularly provided in Schedule 6 of this Agreement. The holders of Series A1 CCPS shall not be entitled to Series A1 Valuation Protection Right in case of Excluded Issuances.
7. **Reorganization, Reclassification:** In case of any reconstruction or consolidation of the Company or any capital reorganization, reclassification or other change of outstanding Shares:

(i) the Company shall mail to each holder of the Series A1 CCPS, as promptly as possible but in any event at least 15 (fifteen) days prior to the relevant applicable date, a certificate, signed by (a) the chief executive officer of the Company and (b) the chief financial officer of the Company, stating that the holder of each Series A1 CCPS shall have the right to receive in such transaction, in respect of each Series A1 CCPS held by it on an As If Converted Basis, a security identical to (and not less favourable than) those offered in respect of the Equity Shares in relation to that transaction, and provision shall be made therefor in the agreement, if any, relating to such transaction; provided that the obligations of the Company under this provision shall be subject to and applied to the extent not inconsistent with, the other provisions of this Agreement.

- 8. Variation:** The terms of the Series A1 CCPS shall not be varied without the consent of holders of at least 75% (seventy five percent) of the outstanding Series A1 CCPS.

SCHEDULE 6 – ANTI DILUTION PRICE PROTECTION

BROAD BASED WEIGHTED AVERAGE BASIS VALUATION PROTECTION

1. **Definitions.** For the purposes of this **Schedule 6** and unless the context otherwise requires a different meaning the following terms have the meanings indicated below:

(a) **“Lowest Permissible Price”** in relation to an Investor shall mean the lowest possible price at which a Share may be issued to/acquired by that Investor in accordance with Applicable Law.

2. Non-Dilution Protection

(a) Issuance below Series A1 Dilution Price

- (i) **New Issues.** Upon the occurrence of a Series A1 Dilutive Issuance, i.e. if the Company offers Dilution Instruments (except in case of an Excluded Issuance) to any Person at a price less than the Series A1 Dilution Price, then the Series A1 Conversion Price shall be adjusted in accordance with paragraph 2(a)(iv) below, unless the Series A1 Valuation Protection Right is waived in accordance with paragraph 2(b) of this Schedule.
- (ii) **Timing for New Issues.** The adjustment of the Series A1 Conversion Price in accordance with paragraph 2(a)(i) shall be made simultaneously with the issuance of the Dilution Instruments under such Series A1 Dilutive Issuance; provided, however, that the determination as to whether such an adjustment is required to be made shall be made prior and not subsequent to the issuance of such Dilution Instruments but as of the date of the issuance of the Dilution Instruments.
- (iii) **Price Calculation for New Issues.** If any Dilution Instruments are issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Company, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions or discounts paid or allowed by the Company in connection therewith. If any Dilution Instruments are issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the fair market value of such consideration, without deduction therefrom of any expenses incurred or any underwriting commissions paid or allowed by the Company in connection therewith, as determined mutually by the Board and the Series A1 CCPS Holder(s) or, if the Board and the Series A1 CCPS Holder(s) shall fail to agree, at the Company's expense by an independent valuer appointed by the Board subject to prior written consent of the Series A1 CCPS Holder(s).
- (iv) **Adjustment.** In terms of paragraph (i) above, if the Series A1 Conversion Price is subject to an adjustment pursuant to an occurrence of a Series A1 Dilutive Issuance, such adjustment shall be effected through the reduction of the Series A1 Conversion Price calculated in accordance with the following formula:

$$\text{NCP} = \frac{(\text{P1}) \times ((\text{Q1}) + (\text{Q2}))}{((\text{Q1}) + (\text{R}))}$$

For the purposes of this clause, “NCP” is the adjusted Series A1 Conversion Price;

“P1” is the Series A1 Conversion Price in effect immediately prior to the Series A1 Dilutive Issuance;

“**Q1**” means the number of Equity Shares outstanding on an As If Converted Basis immediately prior to the new issue;

“**Q2**” means such number of Equity Shares that the aggregate consideration received by the Company for such Series A1 Dilutive Issuance would purchase at the P1 Series A1 Conversion Price;

“**R**” means the number of Equity Shares issuable / issued upon conversion of the Dilution Instruments being issued under the Series A1 Dilutive Issuance;

provided the NCP shall be: (i) subject to the waiver of Series A1 Valuation Protection Right in terms of clause (b) below; and (ii) limited to the Lowest Permissible Price;

provided further that the NCP determined in accordance with the above formula shall be the new Series A1 Conversion Price (until further adjusted in terms of this Agreement).

- (b) **Waiver of Valuation Protection Right:** The waiver of Series A1 Valuation Protection Right for all the holders of Series A1 CCPS shall be subject to written consent of the holders of 75.00% (seventy five percent) of Series A1 CCPS.
- (c) If Series A1 CCPS (or part thereof) have been converted into Equity Shares (the Equity Shares issued upon such conversion shall be the “**Converted Shares**”), the provisions hereunder shall, *mutatis-mutandis*, be applicable to such Converted Shares assuming they had not been converted. The economic benefit of the Series A1 Valuation Protection Right of such Converted Shares, once quantified in terms of this sub-clause (c), shall be made available to the Series A1 CCPS Holders at conversion (including their permitted assigns) (“**Series A1 CCPS Holders**”) at its option by: (a) issuance of additional Shares to the Series A1 CCPS Holders at the Lowest Permissible Price; and/or (b) the Company taking such other measures as may be reasonably required by such Series A1 CCPS Holders, subject to Applicable Law, so as to ensure that their holding in the Company is not diluted contrary to the provisions of this Schedule.
- (d) In the event the adjusted Series A1 Conversion Price (as computed pursuant to the formula under paragraph 2(a)(iv) without applying the provisions of this sub-clause (“**Base Price**”)) is lower than the Lowest Permissible Price, the total economic benefit of the Series A1 Valuation Protection Right below such Lowest Permissible Price and up to the Base Price (“**Protection Gap**”) shall be made available to the to the concerned Shareholder at its option by: (a) issuance of additional Shares to the concerned Shareholder at the Lowest Permissible Price; and/or (b) the Company taking such other measures as may be reasonably required by such concerned Shareholder, subject to Applicable Law, so as to ensure that the Protection Gap is made available to it (“**Protection Gap Right**”). The Parties acknowledge the Protection Gap Right to the concerned Shareholder under this paragraph 2(d) and agree to co-operate with the Company to enable it to take such measures as required for giving effect to the Protection Gap Right.

3. **Compliance with and Effectiveness of this Schedule.**

- (a) **Ensuring Economic Effect.** If for any reason any part of paragraph 2 of this Schedule is not fully effected as a result of any change in Applicable Law (including a change in Applicable Law that affects the price at which that holder of the Series A1 CCPS may sell or be issued Shares) then each Shareholder and the Company shall each use its best efforts to take all such actions (by corporate, director or shareholder action) as permitted under Applicable Law which may be necessary to provide to each holder of the Series A1 CCPS, the same economic benefits as are contemplated by this Schedule (including, without limitation, by way of issuance of Shares on a

partly paid-up basis).

- (b) **Change in Law.** If there is a change in Applicable Law that makes it possible to implement any part of paragraph 2 of this Schedule so as to confer the economic benefits on the holders of the Series A1 CCPS that are contemplated by this Schedule in a more effective manner, then each Shareholder (including holders of Series A1 CCPS) and the Company shall co-operate and use its best efforts to implement paragraph 2 of this Schedule in that more effective manner.
- (c) **Material Breach.** If a Shareholder (other than a Series A1 CCPS Holder) breaches a provision of this Schedule or acts or omits to act in a particular manner resulting in a breach of this Schedule, and as a result of such breach, act or omission, the Series A1 CCPS Holder is unable to be issued the number and percentage of Shares or Shares at a price contemplated by this Schedule then the same shall be deemed to be a material breach of this Agreement.
- (d) **Notice of change in Dilution Price.** Upon the occurrence of any change to the Series A1 Conversion Price of a Series A1 CCPS in accordance with this Schedule, the Company shall issue a Notice to the Series A1 CCPS Holder(s) stating the adjusted Series A1 Conversion Price of the Series A1 CCPS.

SCHEDULE 7 – COMPETITORS

- (a) GIVA
- (b) Aukera
- (c) Limelight
- (d) Fiona Diamonds
- (e) Reia Diamonds
- (f) Wondr Diamonds
- (g) True Diamonds
- (h) Svaraa Diamonds
- (i) House of Quadri
- (j) Jewelbox
- (k) Avira Diamonds
- (l) Moissani Diamonds
- (m) MiaDonna
- (n) Maiora Diamonds
- (o) Angara
- (p) Myza
- (q) Solitario
- (r) Syndioara
- (s) Glamira
- (t) Sonani Jewels
- (u) Ayaani Diamonds
- (v) Kohira Diamonds
- (w) Aigiri Diamonds
- (x) Only Carats
- (y) Everyday
- (z) Eclat Diamonds
- (aa) Candid Carats
- (bb) Emori Diamonds
- (cc) Angara Diamonds
- (dd) Anor Luxury
- (ee) Andal
- (ff) Syndiora
- (gg) Goenka Jewellers
- (hh) Arth Diamonds
- (ii) Natures Diamonds
- (jj) Amal Jewels
- (kk) Ivana by Jindal
- (ll) Ladia Diamonds
- (mm) Avtaara
- (nn) Divaa by Orra
- (oo) Everbrite Jewellery
- (pp) Pome by Trent
- (qq) Meraya Diamonds
- (rr) Diai Designs
- (ss) Mabel and Main

IN WITNESS WHEREOF, each of the aforementioned Parties has signed and executed this Agreement, and all the original copies hereto, on the date first above written.

For and on behalf of Ethereal House Private Limited



Name: Sharad Arora

Title: Director



[Intentionally left blank]

IN WITNESS WHEREOF, each of the aforementioned Parties has signed and executed this Agreement, and all the original copies hereto, on the date first above written.

For and on behalf of Bluestone Jewellery and Lifestyle Limited



Name: Gaurav Singh Kushwaha
Title: Managing Director

[Intentionally left blank]

IN WITNESS WHEREOF, each of the aforementioned Parties has signed and executed this Agreement, and all the original copies hereto, on the date first above written.

Signed by Nitesh Jain

Nitesh

[Intentionally left blank]

*Signature Page to the Shareholders' Agreement of Ethereal House Private Limited executed by and amongst
Bluestone Jewellery and Lifestyle Limited, Ethereal House Private Limited, Sharad Arora and Nitesh Jain.*

IN WITNESS WHEREOF, each of the aforementioned Parties has signed and executed this Agreement, and all the original copies hereto, on the date first above written.

Signed by Sharad Arora

Sharad Arora

[Intentionally left blank]