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THIS STAMP PAPER FORMS PART OF THE SHAREHOLDERS' AGREEMENT DATED DECEMBER 4, 2007 EXECUTED BETWEEN INDIVISION INDIA PARTNERS, INTERARCH BUILDING PRODUCTS PRIVATE LIMITED, AND THE PROMOTERS.

"PROMOTERS" SHALL MEAN:

1. MR. ARVIND NANDA;
2. MR. GAUTAM SURJ;
3. TAIPAN ASSOCIATES PRIVATE LIMITED; and
4. IGS HOLDINGS PRIVATE LIMITED.

SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (the "Agreement") executed on this 4th day of December, 2007 by and between:

- (1) **Indivision India Partners**, Mauritius, a public company limited by shares with limited life incorporated under the provisions of the Companies Act, 2001 of Mauritius and having its registered office at C/o International Financial Services Limited, IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius (hereinafter referred to as "**Investor**", which expression shall mean and include its successors and permitted assigns);
- (2) **Interarch Building Products Private Limited**, a company incorporated under the laws of India and having its registered office at A-1/6, Vasant Vihar, New Delhi 110 057, (hereinafter referred to as the "**Company**", which expression shall mean and include its successors and permitted assigns); and
- (3) The Persons set out in **Schedule-I** (hereinafter collectively referred to as the "**Promoters**", which expression shall include their respective successors and permitted assigns).

(The Investor, the Company and the Promoters are hereinafter referred to individually as "**Party**" and collectively as "**Parties**").

WHEREAS:

- (A) The Company is engaged in the business of designing, manufacturing, fabricating and installation of pre-engineered structures, metal roofing, claddings and metal ceilings.
- (B) The authorized capital of the Company is Rs. 10,00,00,000 (Rupees Ten Crore) divided into 10,00,000 (ten lakh) Shares of Rs. 100 (Rupees Hundred) each. The issued and paid-up capital of the Company is Rs. 6,50,03,000 (Rupees Six Crore Fifty Lakhs Three Thousand) divided into 6,50,030 (six lakh fifty thousand thirty) Shares of Rs. 100 (Rupees Hundred) each. As on the date of this Agreement, 6,50,030 (six lakh fifty thousand thirty) Shares representing 100% of the Share Capital of the Company are held by the Existing Shareholders.
- (C) Based on certain Warranties and disclosures made by the Promoters and the Company as set out in this Agreement and the Share Subscription Agreement (as defined hereafter), the Investor is desirous of investing in the Company and accordingly has executed the Share Subscription Agreement to subscribe to the Investor Shares of the Company as per the terms contained therein.
- (D) The Parties have entered into this Agreement for the purpose of recording the terms and conditions regulating their relationship.

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

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the context otherwise requires or unless otherwise defined or provided for herein, words and expressions shall have the same meaning as attributed to them in the Share Subscription Agreement. In this Agreement the following words and expressions shall have the following meanings:

"**Act**" shall mean the Companies Act, 1956 and/or any statutory amendment or re-enactment thereof;

"**Affiliate**" shall mean with respect to any party, any Person that, along or together with any other Person, directly or indirectly Controls, is Controlled by or is under common Control with, such party and in case of a party being a natural person, shall include a "relative" (as defined in the Act) of such Person;

"**Affirmative Vote Items**" shall have the meaning ascribed to it in Article 4.6.1;

"**Agreement**" shall mean this Agreement and any and all schedules, annexures and exhibits attached to it or incorporated in it by reference and also includes all subsequent amendments and modifications to this Agreement, if any;

"**Alternate Director**" shall have the meaning as set out in Article 4.4;

"**Annual General Meeting**" or "**AGM**" shall mean the annual general meeting of the Company convened and held in accordance with the Act;

"**Articles of Association**" or "**Articles**" shall mean the articles of association of the Company, as the case may be, as amended from time to time;

"**Board**" or "**Board of Directors**" shall mean the board of directors of the Company in office at applicable times and as nominated and appointed in accordance with the terms of the Agreement;

"**Business**" shall have the meaning assigned to it in Article 3.1;

"**Business Day**" shall mean a day on which scheduled commercial banks are open for business in New Delhi, Mumbai and Mauritius;

"**Business Plan**" shall mean the annual business plan of the Company to be presented to the Board of Directors annually for their consideration and approval;

"**Charter Documents**" shall mean collectively the Memorandum and the Articles of the Company;

"**Claims**" shall mean any losses, expenses, claims, costs, and damages;

"**Closing**" shall have the meaning as ascribed to it in the Share Subscription Agreement;

"**Closing Date**" shall have the meaning as ascribed to it in the Share Subscription Agreement;

"**Control**" shall mean the direct or indirect ownership of 50% or more of the voting share capital of a Person, and "Controlling" and "Controlled" have corresponding meanings;

"**Deed of Adherence**" shall mean the Deed of Adherence substantially in the form contained in **Schedule-II** to this Agreement;

"**Director**" shall mean a director of the Company (including any duly appointed Alternate Director);

"**Encumbrance**" shall mean (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any

Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law, (b) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person, and (c) any adverse claim as to title, possession or use and "Encumber" shall be construed accordingly;

"**Equity Securities**" shall mean equity capital, equity shares, membership interests, partnership interests, registered capital, joint venture or other ownership interests of a company or any options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such equity capital, equity shares, membership interests, partnership interests, registered capital, joint venture or other ownership interests (whether or not such derivative securities are issued);

"**ESOP**" shall mean the employee stock ownership plan maintained by the Company in accordance with Article 12 hereof;

"**Exchanges**" shall mean Bombay Stock Exchange, the National Stock Exchange or any other International stock Exchange(s) as approved by the Investors;

"**Exit Period**" shall mean the period of 6 (six) months commencing from the expiry of the IPO Period;

"**Extra Ordinary General Meeting**" or "**EGM**" shall mean the extra ordinary meeting of the Company convened and held in accordance with the Act;

"**Financial Year**" shall mean the period commencing April 1 each calendar year and ending on March 31 the succeeding calendar year;

"**Fully Diluted Basis**" shall mean that the calculation is to be made assuming that all outstanding convertible securities and stock options (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged into equity;

"**General Meetings**" shall mean either an EGM or an AGM of the Shareholders of the Company;

"**Government**" or "**Governmental Authority**" shall mean any statutory authority, government department, agency, commission, board, tribunal, court, national, state, provincial, local or municipal government or any court of competent jurisdiction, regulatory or administrative agency or commission or any Person authorised by Law to act as a regulatory or administrative agency or other governmental authority or instrumentality;

"**Independent Director**" shall mean a director who satisfies the criteria to be an independent director as prescribed by SEBI from time to time;

"**Investor Shares**" shall have the meaning assigned to it in the Share Subscription Agreement;

"**INR**" or "**Rupees**" or "**Rs.**" shall mean Indian rupees, being the lawful currency of India;

"**Investor Investment Amount**" shall mean Rs. 1,00,00,00,000 (Indian Rupees One Hundred Crore);

"**IPO**" shall mean the initial public offering of Shares and consequent listing of the Shares of the Company on the Exchanges;

"**IPO Period**" shall have the meaning set out in Article 9.1;

"**Law**" or "**Laws**" shall mean and include all applicable laws, bye-laws, statutes, rules, regulations, orders, ordinances, notifications, protocols, treaties, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directive of any Governmental Authority or Person acting under the authority of any Governmental Authority, tribunal, board, court and / or of any statutory authority in India, and specifically including, SEBI and / or a stock exchange and whether in effect on the date hereof or thereafter;

"**Memorandum of Association**" or "**Memorandum**" shall mean the memorandum of association of the Company as amended from time to time;

"**Person**" shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable Law;

"**SEBI**" shall mean the Securities and Exchange Board of India;

"**Shares**" shall mean the equity shares of the Company currently having par value of Rs. 100 (Rupees Hundred) per equity share in the Share Capital;

"**Share Capital**" shall mean the total issued and paid up share capital of the Company at the point of time where reference is made;

"**Shareholders**" shall mean and refer collectively to the Investor, the Existing Shareholders and the Promoters and "**Shareholder**" shall refer to any one of them, as the context may require;

"**Share Subscription Agreement**" shall mean the share subscription agreement executed as of even date between the Investor, the Company and the Promoters, to subscribe to the Investor Shares (as defined in the Share Subscription Agreement), as per the terms and conditions contained therein;

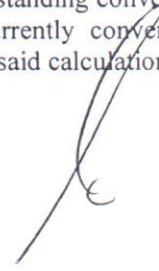
"**Subsidiary**" shall have the meaning assigned to it under the Act;

"**Term of the Agreement**" shall mean the meaning ascribed to it in Article 2;

"**Transaction Documents**" shall have the meaning assigned to it in the Share Subscription Agreement;

"**Transfer**" (including with correlative meaning, the terms "Transferred by" and "Transferability") shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way subject to any Encumbrance or to dispose off, whether or not voluntarily; and

"**Undiluted Basis**" shall mean that the calculation is to be made based on the then current actual equity Share Capital of the Company. For avoidance of doubt, outstanding convertible securities and stock options (whether or not by their terms then currently convertible, exercisable or exchangeable), shall not be taken into account for the aforesaid calculation.



1.2 Interpretation

Unless the context of this Agreement otherwise requires:

- (a) Words of any gender are deemed to include those of the other gender;
- (b) Words using the singular or plural number also include the plural or singular number, respectively;
- (c) The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to this entire Agreement or specified Articles of this Agreement, as the case may be;
- (d) The term "Article" refers to the specified Article of this Agreement;
- (e) The words "directly or indirectly" mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and "direct or indirect" shall have the correlative meanings;
- (f) Heading and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (g) Reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision;
- (h) Reference to the word "include" shall be construed without limitation;
- (i) The Schedules hereto shall constitute an integral part of this Agreement;
- (j) 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;
- (k) References to the knowledge, information, belief or awareness of any Person shall be deemed to include the knowledge, information, belief or awareness of such Person after examining all information and making all inquiries and investigations which would be expected or required from a Person of ordinary prudence.

2. TERM OF THIS AGREEMENT

- 2.1 This Agreement shall be effective from the Closing Date and shall remain valid and binding on the Parties until the Investor continues to hold at least 5% of the Share Capital (the "**Term**").
- 2.2 Subject to applicable Law, post IPO, the Promoters and the Company shall take all required steps to ensure that 1 (one) of the Directors on the Board of the Company is an individual identified by the Investor provided that the Investor holds at least 5% or more of the Share Capital of the Company.

3. BUSINESS

- 3.1 The Company is engaged in the business of designing, manufacturing, fabricating and installation of pre-engineered structures, metal roofing, claddings and metal ceilings ("**Business**").
- 3.2 The Business Plan for each Financial Year shall be discussed and approved by the Board, which approval will require an affirmative vote by the Investor Nominee Director (which shall not be unreasonably withheld), no later than 30 (thirty) days before the beginning of such Financial Year.

4. CORPORATE GOVERNANCE

4.1 Board of Directors

- 4.1.1 Subject to the provisions of this Agreement and the Act, the Board shall be responsible for the management, supervision, direction and control of the Company.
- 4.1.2 At the time of Closing, the Board shall be reconstituted to consist of 7 (seven) Directors. Any change in the composition of the Board of the Company (number of Directors) shall be with the prior written consent of the Investor.
- (a) the Promoters shall have the right to appoint 4 (four) Directors (including Alternate Directors in place of such nominated directors) ("**Promoter Nominee Director**");
 - (b) the Investor shall have the right to appoint 2 (two) Directors (including Alternate Directors in place of such nominated directors) ("**Investor Nominee Director**"); and
 - (c) the Board shall have the right to appoint 1 (one) Independent Director.
- 4.1.3 Each of the Company, Promoters and the Investor undertake to take such actions as may be necessary (including exercising their votes at General Meetings, meetings of the Board or any committees thereof of the Company), to give effect to the provisions of and to comply with their obligations under this Agreement.
- 4.1.4 The reasonable out-of-pocket expenses including domestic air fare and hotel stay expenses incurred by the Investor Nominee Director in attending a meeting of the Board or committee thereof or a General Meeting shall be reimbursed by the Company.
- 4.2 The Company shall constitute various committees of the Board such as the audit committee, compensation committee, nomination committee as may be decided by the Board and as also required by Law. At least 1 (one) of the Investor Nominee Directors shall be appointed on all the committees of the Board. Subject to applicable Law, all decisions shall be taken by a simple majority. Provided that the Board shall not authorize or delegate powers to any committees of the Board such that such a committee is empowered to decide matters which in terms of the Act are to be mandatorily decided by the Board.
- 4.3 Removal and Replacement of Directors
- 4.3.1 Except as provided under applicable Law, no Person other than the Investor shall be permitted to remove or replace at any time and for any reason the Investor Nominee Director.
- 4.3.2 The Investor may require the removal of any of the Investor Nominee Director and nominate another individual as its nominee Director in his/her place, and the other Shareholders shall exercise their rights to ensure the removal and appointment of the Director as aforesaid.

4.3.3 In the event of the resignation, retirement or vacation of office of any Investor Nominee Director due to any reason other than as set out in Article 4.3.2 above, the Investor shall be entitled to appoint another Person as a nominee Director in place of such resigning, retiring or vacating nominee Director and the other Shareholders shall exercise their rights to ensure the appointment of the individual nominated for appointment as Director as aforesaid.

4.3.4 Each Director and his or her duly authorised representatives shall be entitled to examine the books, accounts and records of the Company and shall have reasonable access, during business hours and with prior written notice of a reasonable duration, to such records of the Company provided that any such activities of such Director or his or her representatives shall not in any manner disrupt the day-to-day activities of the Company.

4.4 Alternate Director

The Board may at the request of the Investor and the Promoters be entitled to appoint an alternate Director (an "**Alternate Director**") in place of any Director nominated by them (an "**Original Director**") from time to time. Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the Registrar of Companies. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in his or her absence.

4.5 Board Meetings

4.5.1 Frequency & Location: The Board shall meet at least once in each calendar quarter, with each such meeting to be held at the Company's offices (unless otherwise agreed to among the Parties).

4.5.2 Quorum: The quorum for a meeting of the Board of Directors of the Company shall be as required under the Act, subject to at least 1 (one) Investor Nominee Director and 1 (one) Promoter Nominee Director being present at such meeting. The Investor may waive the requirement of the Investor Nominee Director to participate in a meeting of the Board in writing. If such quorum is not present within one hour from the time appointed for the meeting, the meeting shall be adjourned to the same time and place 7 (seven) Business Days later. If the quorum requirements as set out in this Article 4.5.2 are not met at such adjourned meeting, then subject to the provisions of the Act, the Directors present at such adjourned meeting (subject to meeting the statutory requirements) shall constitute a quorum, provided that no business concerning any of the matters specified in the Affirmative Vote Items shall be dealt with.

4.5.3 Notice: A meeting may be called by the Chairman of the Board of the Company or any other Director(s) giving notice in writing to the chief executive officer or the company secretary of the Company specifying the date, time and agenda for such meeting. The chief executive officer or the company secretary, as the case may be, of the Company shall upon receipt of such notice give a copy of such notice of such meeting to all Directors, accompanied by a written agenda specifying the business of such meeting and copies of all papers relevant for such meeting. The Company shall ensure that sufficient information is included with such notice to the Directors to enable each Director to make a decision on the issue in question at such meeting. Not less than a minimum of 7 (seven) days prior written notice shall be given to each Director of any Board meeting accompanied by the agenda for the Board meeting (unless the Investor Nominee Director and the Promoter Nominee Director has given written approval for a meeting called at shorter notice).

4.5.4 Voting: At any Board meeting, each Director may exercise 1 (one) vote. Except in respect of

Affirmative Vote Items, the adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted meeting of the Board or in the case of a circular resolution signed by the majority of the Directors. The Board shall not at any meeting adopt any resolution covering any matter that is not expressly specified on the agenda for such meeting unless a majority of the Directors present at such meeting, which shall include at least 1 (one) Investor Nominee Director vote and at least 1 (one) Promoter Nominee Director vote in favour of such resolution. Under no circumstances shall the Chairman have a casting vote.

4.5.5 Telephonic Participation: As and when permitted by the Act, the Directors may participate in Board meetings by telephone or video conferencing or any other means of contemporaneous communication.

4.5.6 Resolution by Circulation: A written resolution circulated to all the Directors or members of committees of the Board, whether in India or overseas and signed by a majority of them as approved, shall (subject to compliance with the relevant requirements of the Act) be as valid and effective as a resolution duly passed at a meeting of the Board or committee of the Board, called and held in accordance with this Agreement and the Articles (provided that it has been circulated in draft form, together with the relevant papers, if any to all the Directors).

4.6 Decision on Affirmative Vote Items

4.6.1 Decision at the Board meeting: During the Term of this Agreement, the Parties agree that neither the Company nor any of their respective shareholders, directors, officers, committees, committee members, employees, agents shall, without the affirmative written consent or approval of at least 1 (one) Investor Nominee Director and the approval of at least 1 (one) Promoter Nominee Director, obtained at a validly convened Board meeting, take any of the actions set forth in the **Schedule-III** (the "**Affirmative Vote Items**"). The Affirmative Vote Items must be referred to the Board of the Company and no shareholder, director, officer, committee, committee member, employee, agent or any of their respective delegates shall take any actions purporting to commit the Company in relation to any such matters without the prior approval of the Board of the Company. For the avoidance of doubt, it is clarified that the Affirmative Vote Items cannot be carried through by way of a circular resolution.

4.6.2 Decision at the Shareholders Meeting: During the Term of this Agreement, the Parties agree that neither the Company nor any of their respective shareholders, directors, officers, committees, committee members, employees, agents shall, without the affirmative written consent or approval of the Investor and the Promoters obtained at a validly convened shareholders meeting, take any of the actions in relation to the Affirmative Vote Items, with respect to the Company.

4.7 Shareholders Meeting

4.7.1 Quorum: An AGM shall be held each calendar year as required by applicable Law. The Board shall provide the Company's previous Financial Year's audited financial statements to all Shareholders at least 21 (twenty one) days before the AGM is held to approve and adopt the audited financial statements. All other General Meetings, other than the AGM, shall be EGMs. The quorum for General Meetings shall be a minimum of 5 (five) members being present, subject to at least 1 (one) authorized representative each of the Investor and of the Promoter being present at such meeting. The provisions of this Article 4.7.1 shall be subject to applicable Laws.

4.7.2 Notice: A minimum 21 (twenty one) days prior written notice shall be given to all the Shareholders of any Shareholders meeting, accompanied by the agenda for such meeting (unless the Investor and the Promoter shall have given written approval for a meeting called

at shorter notice).

4.8 Required Actions and Authority

Subject to Article 4.6 hereinabove and subject to any additional requirements under the Act, the Charter Documents or this Agreement:

- (a) At a duly called Board meeting, all decisions shall be taken by a simple majority with the affirmative vote greater than 50% of the Directors present at a meeting duly called and for which requisite quorum is present as required under this Agreement and under the Act;
 - (b) At a duly called Shareholders meeting, (i) all decisions in respect of matters requiring approval of shareholders by an ordinary resolution in terms of the Act shall be approved only if passed with the affirmative vote of the shareholders present at the meeting and representing more than 50% of the Shares held by all Shareholders present at the meeting duly called and for which requisite quorum is present as required under this Agreement and under the Act and (ii) all decisions in respect of matters requiring approval of shareholders by a special resolution in terms of the Act shall be approved only if passed with the affirmative vote of the shareholders present at the meeting and representing at least 75% of the Shares held by all Shareholders present at the meeting duly called and for which requisite quorum is present as required under this Agreement and under the Act.
- 4.9 The Investor and the Promoters shall agree to meet monthly to discuss matters affecting the Company's business, to discuss business operations, properties and the financial or other condition of the Company. As and when required, the Investors and the Promoters will call the employees of the Company who will also attend such meeting to provide inputs on significant business issues. The Company shall keep the Investor informed of any material developments impacting the Company.

5. STATUTORY AUDITOR AND INTERNAL AUDITOR

- 5.1 The Promoters and the Company shall ensure an internationally reputed firm of auditors is appointed from amongst the following 4 (four) firms KPMG, E&Y, PwC and Deloitte, as the statutory auditors for the Financial Year 2008-09 or any other firm mutually agreed. In addition, the Company shall also appoint a firm of reputed chartered accountants as the internal auditors of the Company for the Financial Year 2008-09.

6. INFORMATION RIGHTS

- 6.1 The Company shall deliver to the Investor (in relation to the Company), the following information:
- (a) as soon as practicable, but in any event within 90 (ninety) days after the end of each Financial Year of the Company, the audited financial statements;
 - (b) as soon as practicable, but in any event within 30 (thirty) days after the end of each quarter of each Financial Year of the Company, unaudited quarterly financial statements;
 - (c) as soon as practicable, but in any event no later than 30 (thirty) days prior to the end of each Financial Year, the annual budget for the next Financial Year;
 - (d) as soon as practicable, but in any event within 30 (thirty) days after the end of each

month, management reports based on a format to be mutually agreed between the Investor and the Company; and

- (e) promptly upon request by the Investor, but in any event within 10 (ten) days, such other information as the Investor may from time to time reasonably request.

6.2.1 It is hereby agreed that the Investor and the Promoters shall within 1 (one) month from the date of the Closing determine the format of the management reports as contemplated under Article 6.1(d). It is further agreed that the Company shall within 6 (six) months from the date of the determination of the format of the management reports, implement necessary systems and requisite resources to ensure that the Company is able to furnish the Investor with the information set out in Article 6.1 (d) within the stipulated time periods.

6.2.2 It is hereby agreed between the Parties that the Company shall implement necessary systems and requisite resources to ensure that from the Financial Year 2009, the Company is able to furnish the Investor with the information set out in Article 6.1 (b) and (c) within the stipulated time periods.

6.3 In addition to the information and materials to be provided to the Investor set out in Article 6.1, the Company shall grant the Investor, access to such books of account and records of the Company, as may be reasonably requested by the Investor in writing 7 (seven) Business Days in advance of such access. Provided that such access to books of account and records of the Company shall not in any manner disrupt the day-to-day activities of the Company.

6.4 It is acknowledged by the Parties that the provisions of this Article 6 shall at all times be subject to Article 15 herein.

7. RESTRICTIONS ON TRANSFER

7.1 Restriction on Transfer

7.1.1 The Investor, the Promoters and the Company undertake that neither of them shall, directly or indirectly, Transfer any Shares or any legal or beneficial interest therein, except in compliance with this Article 7.

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

7.2 Right of first offer of the Promoters

7.2.1 If the Investor proposes to Transfer any of the Investor Shares held by it in the Company, either directly or indirectly, to any third party, then the Promoters will, have a right of first offer to such Transfer. The process to be followed for the exercise of the right of first offer is set out below:

- (a) If the Investor proposes to Transfer any of the Investor Shares, then the Investor shall first give a written notice (hereinafter referred to as "**Offer Notice**") to the Promoters. The Offer Notice shall state (i) the number of Investor Shares proposed to be Transferred (hereinafter referred to as the "**Sale Shares**") and the number of Investor Shares, the Investor owns at that time on an Undiluted Basis and Fully Diluted Basis;

- (ii) the name of the proposed transferee(s).
- (b) The Promoters shall be entitled to respond to the Offer Notice by serving a written notice (the "**Promoter Response Notice**") on the Investor prior to the expiry of 15 (fifteen) days from the date of receipt of the Offer Notice (the "**Offer Period**")
- (i) either specifying that it has no objection to the Transfer of the Sale Shares to the proposed transferee (as specified in the Offer Notice);
- (ii) or specifying that (aa) it has decided to exercise its right of first offer (bb) the proposed price, including the proposed amount and form of consideration and material terms and conditions offered by the Promoters for the Sale Shares (cc) the date of consummation of the proposed Transfer. The total value of the consideration for the proposed Transfer is referred to herein as the "**Offer Price**".
- (c) In the event, that the Promoter decides to exercise its right of first offer either on its own or cause the exercise of right of first offer through any nominees of the Promoter or any Affiliate of the Promoter, then the Investor shall prior to the expiry of 15 (fifteen) days from the date of receipt of the Promoter Response Notice, confirm in writing (the "**Investor Response Notice**") to the Promoters:
- (i) either specifying that it has decided to accept the Offer Price and will Transfer the Sale Shares to the Promoter or Affiliates of the Promoter or nominees of the Promoter as the case may be, at the Offer Price and on the same terms as are mentioned in the Promoter Response Notice.
- (ii) or specifying that (aa) it is rejecting the Offer Price and (bb) will Transfer the Sale Shares to the proposed transferee (as specified in the Offer Notice) at a price higher than the Offer Price (cc) the date of consummation of the proposed Transfer (dd) a representation that no consideration, tangible or intangible, is being provided to the Investor that will not be reflected in the price paid to the Investor for the Sale Shares.

The completion of the sale by the Investor in favour of the Promoter or the Company or Affiliate of the Promoter or any nominee of the Promoter or the proposed transferee, as the case maybe shall be completed within the period of 45 (forty five) days following the expiry of the Offer Period or the period set out in the Promoter Response Notice/Investor Response Notice whichever is longer ("**Completion Period**").

- (d) In the event the Promoters inform the Investor that it would not like the Investor to Transfer the Sale Shares to the proposed transferee (as mentioned in the Offer Notice), the Investor shall identify another party for the purposes of Transferring the Sale Shares and the procedure set out in Article 7.2.1(a), 7.2.1(b) and 7.2.1(c) shall once again apply to the Sale Shares. The Promoter shall not unreasonably ask the Investor to reject the proposed transferee.
- (e) The Investor shall confirm in writing to the Promoters, on or before the date of consummation of the proposed Transfer, specified in the Promoter Response Notice or the Investor Response Notice as may be applicable, that it has received the payment in full of the price in accordance with the terms set forth in the Promoter Response Notice or the Investor Response Notice. If completion of the sale and transfer to the proposed transferee does not take place within the Completion Period, the Investor's right to sell the Sale Shares to the proposed transferee shall lapse and

the provisions of Article 7.2.1 shall once again apply to the Sale Shares.

- (f) Where the Investor/Promoters require prior legal, governmental or regulatory consent for disposing/acquiring the Sale Shares pursuant to this Agreement, then, notwithstanding any other provision of this Agreement, that Party shall only be obliged to sell/acquire the shares once such consent or approval is obtained and the Parties shall use their reasonable endeavours to obtain any such required approvals. Any period within which a Transfer of the Sale Shares has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals.

7.2.2 Subject to the provisions of this Agreement, the Investor shall be entitled to freely Transfer its Shares. In the event, that the Investor Transfers at least 10% or more of the Share Capital on a Fully Diluted Basis from the Investor Shares to a single Person, such Person shall have, the right to acquire all the rights of the Investor specified under this Agreement. It is however clarified that in such case all the rights of the Investor under this Agreement shall either be exercised by the Investor or by such Person acquiring 10% or more of the Shares of the Company and not under any circumstances by the Investor and also by such Person or jointly together.

7.3 Right of first refusal of the Investor

Until such time that the Existing Shareholders hold at least 76% of the Share Capital on a Fully Diluted Basis, the Promoters may Transfer such number of Shares that are in excess of 76% of the Share Capital on a Fully Diluted Basis ("**Free Shares**"). The Free Shares may be Transferred in the following manner:

7.3.1 The Existing Shareholders shall be free to Transfer such number of Shares which constitute 3% of the Shares out of the Free Shares (in aggregate, whether as a single transaction or a series of transactions) to any third party. Provided that such third party transferee shall not be given any rights available to the Investor under Articles 7 and 4.6 of this Agreement and also shall not be a Person having adverse political connections.

7.3.2 If any of the Existing Shareholders propose to Transfer any of the Shares held by them in excess of 3% of the Shares out of the Free Shares (in aggregate, whether as a single transaction or a series of transactions) held by them in the Company to any third party, then the Investor shall have a right of first refusal to such Transfer. The process to be followed for the exercise of the right of first refusal is set out below:

- (a) If any of the Existing Shareholders propose to Transfer any of the Shares in excess of 3% of the Shares out of the Free Shares, then, such Existing Shareholder shall first give a written notice (hereinafter referred to as "**Offer Notice**") to the Investor. The Offer Notice shall state the number of Shares proposed to be Transferred (hereinafter referred to as the "**Sale Shares**") and the number and class of Shares the Existing Shareholder owns at that time on an Undiluted Basis and Fully Diluted Basis (ii) the name and address of the proposed transferee, (iii) the proposed price, including the proposed amount and form of consideration and material terms and conditions offered by such proposed transferee, (iv) the date of consummation of the proposed Transfer. The total value of the consideration for the proposed Transfer is referred to herein as the "**Offer Price**".
- (b) The Investor shall be entitled to respond to the Offer Notice by serving a written notice (the "**Response Notice**") on the Existing Shareholders prior to the expiry of 15 (fifteen) days from the date of receipt of the Offer Notice (the "**Offer Period**") specifying that it has decided to exercise its right of first refusal in respect of the Sale

Shares. In the event that the Investor decides to exercise its right of first refusal, the Existing Shareholder shall Transfer the Sale Shares to the Investor as the case may be, at the same price and on the same terms as are mentioned in the Offer Notice. The completion of the sale by the Existing Shareholder in favour of the Investor shall be completed within the period of 30 (thirty) days following the expiry of the Offer Period or the period set out in the Offer Notice whichever is longer ("**Completion Period**").

- (c) In the event the Investor does not deliver a Response Notice to the Existing Shareholder prior to the expiry of the Offer Period, upon the expiry of the Offer Period, the selling Existing Shareholder shall be entitled to Transfer the Sale Shares to the proposed transferee mentioned in the Offer Notice on materially the same terms and conditions and for consideration no less than as is specified in the Offer Notice. In case the transferee is a Person other than the Person mentioned in the Offer Notice, the procedure set out in Article 7.3.2(a) shall be applicable.
- (d) Any transferee purchasing the Sale Shares shall deliver to the Existing Shareholder on or before the date of consummation of the proposed Transfer, specified in the Offer Notice as may be applicable, payment in full of the price in accordance with the terms set forth in the Offer Notice. If completion of the sale and transfer to the proposed transferee does not take place within the Completion Period, the Existing Shareholder's right to sell the Sale Shares to such third party shall lapse and the provisions of Article 7.3.2 shall once again apply to the Sale Shares.
- (e) Where the Investor/Existing Shareholders require prior legal, governmental or regulatory consent for acquiring/selling the Sale Shares pursuant to this Agreement, then, notwithstanding any other provision of this Agreement, that Party shall only be obliged to acquire/sell the Shares once such consent or approval is obtained and the Parties shall use their reasonable endeavours to obtain any such required approvals. Any period within which a Transfer of the Sale Shares has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals.

7.4 Tag-along rights of the Investor

7.4.1 If any of the Existing Shareholders propose to Transfer any of the Shares in excess of the Free Shares (provided that the total number of Shares proposed to be Transferred in excess of the Free Shares does not exceed 25% of the Share Capital on a Fully Diluted Basis) in aggregate, whether as a single transaction or a series of transactions held by them in the Company to any third party, then the Investor will, have a right of first offer to such Transfer and in case the Investor elects not to exercise its right of first offer it shall be entitled to exercise tag along rights, exercisable at its sole discretion, to participate in such sale. The process to be followed for the exercise of the right of first offer and tag along rights is set out below:

- (a) If any of the Existing Shareholders propose to Transfer any of the Shares in excess of the Free Shares, such Existing Shareholder shall first give a written notice (hereinafter referred to as "**Offer Notice**") to the Investor. The Offer Notice shall state the number of Shares proposed to be Transferred (hereinafter referred to as the "**Sale Shares**") and the number and class of Shares the Existing Shareholder owns at that time on an Undiluted Basis.
- (b) In the event that the Investor decides to exercise its right of first offer, the Investor shall be entitled to respond to the Offer Notice by serving a written notice (the "**Response Notice**") on the relevant Existing Shareholder/(s) prior to the expiry of 15

(fifteen) days from the date of receipt of the Offer Notice (the "**Offer Period**")

- (i) either specifying that it has decided to exercise its right of first offer in respect of the Sale Shares, the proposed price, including the proposed amount and form of consideration and material terms and conditions offered by the Investor and the date of consummation of the proposed Transfer. The total value of the consideration for the proposed Transfer is referred to herein as the "**Offer Price**".
 - (ii) or stating that the Investor has decided not to exercise its right of first offer in respect of the Sale Shares.
- (c) If the Offer Price is accepted by the Existing Shareholder, the relevant Existing Shareholder/(s) shall Transfer the Sale Shares to the Investor as mentioned in the Response Notice at the same price and on the same terms as are mentioned in the Response Notice. If completion of the sale does not take place within 30 (thirty) days of the Offer Period ("**Completion Period**"), then the Investor's right of first offer under Article 7.4.1 shall stand suspended and the Existing Shareholder subject to Article 7.4.2 shall be free to Transfer the said Shares to any third party.
- (d) Where the Investor/ Existing Shareholders require prior legal, governmental or regulatory consent for acquiring/selling any of the Sale Shares pursuant to this Agreement, then, notwithstanding any other provision of this Agreement, that Party shall only be obliged to acquire/sell the Shares once such consent or approval is obtained, and the Parties shall use their reasonable endeavours to obtain any such required approvals. Any period within which a Transfer of the Sale Shares has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals.

7.4.2 In the event that the Investor decides not to exercise its right of first offer, then the Investor shall be entitled to exercise its tag-along rights, to participate in such sale. The process to be followed for the exercise of the tag along rights is set out below.

- (a) The selling Existing Shareholders shall give a written notice (the "**Tag-along Offer Notice**") to the Investor with a copy to the Company. The Tag-along Offer Notice shall state (i) the number and class of Shares the selling Existing Shareholder then collectively own (on a Fully Diluted Basis); (ii) the number of Shares proposed to be sold by the selling Existing Shareholder (the "**Sale Shares**"); (iii) the proposed consideration, amount and form of consideration; (iv) the manner and time of payment of the consideration; (v) the proposed date of consummation of the proposed transfer and the details of the proposed transferee and the rights which are proposed to be granted/transferred to such proposed transferee; (vi) a representation that the proposed transferee stated in the Tag-along Offer Notice has been informed of the tag-along right and has agreed to purchase all the Investor Shares required to be purchased in accordance with the terms of this Agreement; and (vii) a representation that no consideration, tangible or intangible, is being provided to the Existing Shareholder that will not be reflected in the price paid to the Investor on exercise of his tag-along rights hereunder. Such Tag-along Offer Notice shall be accompanied by true and complete copy of all agreements between the selling Existing Shareholders and the proposed transferee third party regarding the proposed transfer.
- (b) In the event the Investor elects to exercise its tag along right, the relevant Investor(s) shall deliver a written notice of such election to the selling Existing Shareholder (the "**Response Notice**") within 15 (fifteen) days after the date of receipt of the Tag-along Offer Notice (the "**Tag-along Offer Period**") specifying that the Investor ~~it~~ has

elected to exercise its Tag Along Right in respect of all the Investor Shares (the "Tag Along Shares").

- (c) In the event the Investor decides to exercise the tag-along right, the selling Existing Shareholder shall cause the proposed transferee to purchase from the relevant Investor(s), the Tag Along Shares at the same price per Share as is mentioned in the Tag-along Offer Notice. The selling Existing Shareholders shall ensure that all of the terms of the proposed transfer offered by the proposed transferee are also offered to the Investor for the same consideration and upon the same terms and conditions as applicable to the Sale Shares.
- (d) If for any reason, the third party acquiring the Shares hereunder is unable to or refuses to acquire the Investor Shares in respect of which the Investor has exercised its tag along rights, then, the Existing Shareholder shall not be entitled to Transfer any of the Shares held by them in the Company to such third party unless the Existing Shareholder simultaneously with its own sale to the proposed transferee buys such Investor Shares or causes the same to be bought back by the Company in accordance with the terms herein. The selling Existing Shareholders shall not make the proposed sale other than in the manner as set out in this Article 7.4.2 and if purported to be made, such sale shall be void and shall not be binding on the Company and shall be deemed to be a breach of the terms of this Agreement.
- (e) Where the Investor/ Existing Shareholders require prior legal, governmental or regulatory consent for acquiring/selling any of the Sale Shares pursuant to this Agreement, then, notwithstanding any other provision of this Agreement, that Party shall only be obliged to acquire/sell the Shares once such consent or approval is obtained, and the Parties shall use their reasonable endeavours to obtain any such required approvals. Any period within which a Transfer of the Sale Shares has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals.

7.5 The Parties agree and acknowledge that no provision in this Agreement including Article 7 herein shall be construed to be a restriction on Transfer of Shares between the Promoters (and their Affiliates) and between the Investor and their Affiliates.

7A. The Parties agree and acknowledge that the terms and conditions as applicable to the Investor Shares under this Agreement shall also be construed to be applicable to any and all Shares acquired by, granted or allotted to the Investor, from time to time under the terms of this Agreement.

8. PRE-EMPTIVE RIGHTS FOR NEW ISSUES OF SECURITIES

8.1 In the event the Company is desirous of issuing any new Equity Securities after the Closing Date, including by way of a preferential allotment ("**Proposed Issuance**") (excluding the issuance of Shares pursuant to an ESOP and/or a IPO), the Company shall provide and the Promoters shall cause the Company to provide, a right of pre-emption to the Investor to participate on a pro-rated basis in any such Proposed Issuance. The Promoters and the Company shall give the Investor written notice of any such Proposed Issuance and such notice shall specify:

- (a) The number and class of Equity Securities proposed to be issued;
- (b) The price for the Proposed Issuance (it is understood that, the price per share shall in no event be lower than the price calculated as per the Controller of Capital Issues (CCI) pricing norms followed by the Reserve Bank of India, such that the Investor is

legally prevented from participating in the Proposed Issuance);

(c) The manner and time of payment of the subscription amount;

(d) The date of the Proposed Issuance;

(the "**Offered Terms**").

8.2 The Investor shall communicate in writing, whether or not the Offered Terms are acceptable to it within 30 (thirty) days from the date on which it received the Offered Terms in writing. If the Investor does not accept the Offered Terms as specified above or designate a nominee (not being a direct competitor) to accept the Offered Terms, then the Company shall have the right to make the Proposed Issuance in favour of any third party, provided such Proposed Issuance is on the same or inferior terms as compared with the Offered Terms made to the Investor.

8.3 Any Proposed Issuance under this Article 8 in favour of any third party investor or the Investor, as the case may be, in accordance shall be completed within a period of 60 (sixty) days after the receipt of the Offered Terms by the Investor, as the case may be, failing which the right of the Company to make the Proposed Issuance shall lapse and the provisions of Article 8 shall once again apply to such Proposed Issuance. The said 60 (sixty) days period shall be extended for an additional period necessary to obtain any regulatory approvals from any Governmental Authority as required.

8.4 In any event, the Company shall not issue any securities (including any Equity Securities) of any type or class to any Person unless the Company has offered such securities to the Investor in accordance with the provisions of this Article 8.

8.5 No Differential Rights:

The Promoters and the Company agree that terms of any Proposed Issuance of any Equity Securities cannot be more favourable to terms originally offered to the Investor under the Transaction Documents without the Investor's prior written consent.

9. INITIAL PUBLIC OFFERING

9.1 The Parties agree that at any time on or prior to 4 (four) years from the date of the Closing ("**IPO Period**"), the Company and the Promoters shall cause a firm and fully underwritten IPO whether by way of a fresh issue of Shares or a public offer for sale, to be completed. The IPO shall be conducted such that:

9.1.1 The Investor and the Promoters shall be entitled (without being obliged) to offer all or some of its Shares in any public offering of the Company on the same terms as the Shares offered to the public by the Company.

9.1.2 The size and price of the IPO shall be based on the advice of the lead merchant banker, mutually agreed to by the Promoters and the Investor.

9.1.3 The Parties shall take all such steps, and extend all such co-operation to each other and the lead managers, underwriters and others as may be required for the purpose of expeditiously making and completing the said IPO.

9.1.4 The Parties acknowledge and agree that, notwithstanding anything to the contrary in Article 9.1.1 of this Agreement, the Investor shall have the right in priority to the Promoters of the Company, to offer all the Investor Shares for sale under the IPO of the Company in

compliance with this Article 9. Subject to obtaining the requisite regulatory approvals, the Investor shall be entitled to sell all or any Investor Shares in the Company in such IPO.

- 9.1.5 The Company and the Promoters undertake and agree that they shall facilitate the Investor's exit by way of an offer for sale of the Shares held by it, through a IPO and shall exercise all their rights to ensure that the Company causes the Shares to be listed on the Exchange selected with the mutual consent of the Promoters and the Investor.
- 9.1.6 The Company and each of the Promoters undertake and agree that the Investor shall not be named or deemed as a 'promoter' of the Company and/or its Affiliates in the prospectus or any other documents related to a public offering or otherwise and nor shall any declaration be made to this effect. None of the obligations of the Promoters shall be applicable to the Investor and the Investor shall not be required to offer or make available their Shares for the purposes of any mandatory lock-in as applicable to 'promoters' under the relevant guidelines issued by SEBI in respect of public offerings or otherwise. In the event any body or regulatory authority takes a view or draws an inference that the Investor is a 'promoter', then the Company and the Promoters shall co-operate with the Investor to make such representations and make full disclosures to the Investor or such body or authority as may be required to dispel or correct such inference or view.
- 9.1.7 The Investor shall comply with all applicable Law requirements as a part of the IPO process.
- 9.1.8 In the event that the IPO is delayed due to any legal, governmental, regulatory or on grounds of applicable Law then, notwithstanding any other provision of this Agreement, the IPO Period shall be automatically extended for a further period of 6 (six) months from the date of completion of the IPO Period.
- 9.1.9 It is hereby agreed by the Parties that in case the IPO Period is extended by the mutual consent of the Parties, then the exit rights of the Investor as provided under Article 10 shall be applicable only upon the expiry of such extended period.
- 9.1.10 Subject to Article 9.1.9, it is hereby agreed by the Investor that in the event that the IPO is not completed within the IPO Period due to the Investor exercising its rights under **Schedule- III** to veto the IPO, the Investor shall not be entitled to exercise its exit rights under Article 10.

10. EXIT RIGHTS

- 10.1 During the Exit Period, the Investor shall have the right to sell the entire Investor Shares to a third party mutually agreed upon by the Parties. The Parties hereby agree and acknowledge that they shall take all reasonable steps to ensure that a mutually acceptable third party purchaser acquires the Investor Shares on terms and conditions acceptable to the Investor.
- 10.1.1 The right of the Investor under this Article 10.1 during the Exit Period shall also include the right to cause the Company to take all necessary steps and cooperate to facilitate the Investor's exit by way of an offer for sale ("OFS") of the Shares and seeking a listing of the Company on the Exchanges. The Investor shall have the right in priority to offer all the Investor Shares for sale in the OFS of the Company.
- 10.1.2 For the avoidance of doubt it is clarified, that during the Exit Period, the Promoters right of first offer under Article 7.2 shall stand suspended.
- 10.1.3 Where the Investor requires prior legal, governmental or regulatory consent for disposing the Investor Shares pursuant to Article 10.1 then, notwithstanding any other provision of this Agreement, that Party shall only be obliged to acquire the Shares once such consent or

approval is obtained, and the Parties shall use their reasonable endeavours to obtain any such required approvals. Any period within which the Transfer of the Investor Shares has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals.

10.2 In the event that upon the completion of the Exit Period, the Parties have not been successful in finding a third party purchaser or concluding the OFS, then for the period extending from after the completion of the Exit Period to the next 6 (six) months ("**Phase II**"), the Investor will have the right to sell only to the Promoter or cause the Company to buy back and the Promoter or the Company, as the case may be, will have an obligation to purchase or buy back all the Investor Shares at the Fair Market Value, determined in accordance with the procedure set out in **Schedule- IV**. The purchase of the Investor Shares by the Promoters and/or the Company will be completed in Phase II.

10.3 Notwithstanding, the other provisions of the Agreement, in the event that the Company and/or the Promoters fail to purchase the Investor Shares during Phase II, as contemplated under Article 10.2 the Investor shall have the right to sell the Investor Shares to any third party.

11. INVESTOR RIGHTS

11.1 Subject to Article 7, the Investor shall have the right to sell the Investor Shares to any third Person in 1 (one) or more transactions, either in whole or in part, at such times as the Investor may in its sole discretion deem fit. Such sale by the Investor will entitle the transferee to receive all the rights set out in respect of the Investor under this Agreement provided that such transferee, acquired such Investor Shares amounting to at least 10% or more of the Share Capital of the Company on a Fully Diluted Basis.

12. ESOP

12.1 In order to attract talented officers and employees and in order to provide such Persons with incentive to ensure their continued service to the Company, the Company may maintain and supplement or replace an employee stock ownership plan (the "**ESOP**") in accordance with the following criteria:

12.1.1 The ESOP Shares may be allocated at the discretion of the Board subject to a cumulative cap of 3% of the Company's Share Capital as on Closing on a Fully-Diluted Basis.

12.1.2 The ESOP Shares shall not be allotted to any employees of the Company who are also the Promoters (the term "Promoters" for the purpose of this Article 12 shall have the meaning assigned to it from time to time by SEBI and shall also include the persons covered under the definition of Promoter under this Agreement).

13. NON-COMPETE

13.1 During the term of this Agreement, the Promoters and the Company agree and covenant that the Promoters and their immediate relatives shall:

- (a) not engage in a competing/related business to the Business of the Company;
- (b) not work with a competitor;
- (c) the Promoters shall devote adequate time and attention to the Business of the Company.

- 13.2 The Promoters' non-compete obligations under this Article 13 shall be valid during the Term of this Agreement.
- 13.3 The Promoters undertake that during the Term of the Agreement, they shall not engage in a new line of business. The Promoters also undertake, agree and covenant that any activity directly or indirectly related to the Business shall be carried on through the Company or its wholly owned Subsidiaries. For the avoidance of doubt it is clarified, that notwithstanding the provisions of this Agreement, Mr. Gautam Suri shall not be deemed to be restricted from carrying on his independent consultancy business as an acoustics consultant.
- 13.4 The Parties agree that the Promoters shall not be prevented from:
- (a) providing financial support to their relatives in respect of any business provided however that it is not the Business;
 - (b) investing into any business directly or indirectly except into a company carrying on the Business.
- 13.5 For the purposes of this Article 13, "immediate relatives" shall mean:
- (a) the parents of the Promoters;
 - (b) the spouses of the Promoters;
 - (c) the children of the Promoters;
 - (d) the spouses of the children of the Promoters; and
 - (e) the immediate brothers and sisters of the Promoters.

14. REPRESENTATIONS AND WARRANTIES

- 14.1 Each Party represents, severally and not jointly, to the other Parties hereto that:
- 14.1.1 Such Party has the full power and authority to enter into, execute and deliver this Agreement and to perform the transactions contemplated hereby and, if such Party is not a natural Person, such Party is duly incorporated or organised with limited liability and existing under the laws of the jurisdiction of its incorporation or organisation;
- 14.1.2 The execution and delivery by such Party of this Agreement and the performance by such Party of the transactions contemplated hereunder has been duly authorised by all necessary corporate or other action of such Party;
- 14.1.3 Assuming the due authorisation, execution and delivery hereof by the other Parties, this Agreement constitutes the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or similar laws affecting creditors' rights generally; and
- 14.1.4 The execution, delivery and performance of this Agreement by such Party and the consummation of the transactions contemplated hereby will not: (a) violate any provision of the organisational or governance documents of such Party; (b) require such Party to obtain any consent, approval or action of any Governmental Authority in such Party's country of organisation or any other Person pursuant to any instrument, contract or other agreement to which such Party is a party or by which such Party is bound, other than any such consent,

approval, that has already duly been obtained or made, except as specified in the Share Subscription Agreement and other Transaction Documents; (c) conflict with or result in any material breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both constitute) a default under, any instrument, contract or other agreement to which such Party is a party or by which such Party is bound; (d) violate any order, judgment or decree against, or binding upon, such Party or upon its respective securities, properties or businesses; or (e) violate any Law or regulation of such Party's country of organisation or any other country in which it maintains its principal office.

15. CONFIDENTIALITY

- 15.1 Each Party shall keep all information relating to the other Party including any information received in terms of Article 4.3.4 and Article 6 or any other provision of this Agreement, information relating to the Transaction and the Transaction Documents (collectively referred to as the "**Information**") confidential. Except as provided in this Article 15, the Parties agree to hold in confidence and not use, disclose or reveal to any third Person Information disclosed to it by the other Parties. None of the Parties shall issue any public release or public announcement or otherwise make any disclosure concerning this Agreement, the other Transaction Documents and/or the Transaction, without the prior approval of the other Parties; provided however, that nothing in this Agreement shall restrict either the Company and/or the Promoters from disclosing any information as may be required under applicable Law. For the purposes of this Article 15.1, the Company and the Promoters shall be deemed as one Party.
- 15.2 Nothing in this Article 15 shall restrict any Party from disclosing Information for the following purposes:
- (a) Insofar as the disclosure is approved by the Parties;
 - (b) To the extent that such Information comes into or is already in the public domain other than by breach of this Agreement;
 - (c) To the extent that such Information is required to be disclosed by any applicable Law, or required to be disclosed to any Governmental Authority to whose jurisdiction such Party is subject;
 - (d) Insofar as such disclosure is reasonably necessary to such Party's employees, directors or professional advisers, provided that such Party shall procure that such employees, directors or professional advisers treat such Information as confidential. For the avoidance of doubt it is clarified that disclosure of information to such employees, directors or professional advisers shall be permitted on a strictly "need-to-know basis".
- 15.3 The confidentiality obligations contained in this Article 15 shall continue to bind the Investor for a period of 1 (one) year from the date the Investor exits or the termination of this Agreement, whichever is earlier. Further, upon the termination of this Agreement each Party shall destroy or return to the other Party, all copies of any materials or other written information furnished to it by such other Party, including its agents, employees, representatives and Affiliates. In such event each Party shall also furnish an undertaking to the other Party stating that it has returned all such confidential information and/or has destroyed all the copies thereof in its possession, if so requested by the other Party.

16. TERMINATION

- 16.1 Events of Default: The following events shall constitute an event of default (the "**Events of**

Default"):

- (a) Breach or failure to observe or comply with any material term, covenant or obligation contained in this Agreement or in the Share Subscription Agreement or any other documents mentioned herein or therein; and/or
- (b) Bankruptcy, winding-up and/or liquidation or dissolution of the Investor and/or the Company.

16.2 Notice of Default

16.2.1 In the event that either the Company and/or the Promoters commit an Event of Default or an Event of Default occurs, the Company and/or the Promoters shall notify the Investor within 15 (fifteen) days of becoming aware of the Event of Default. After receiving the notification of the Event of Default from the Company and/or the Promoters or after the Investor becomes aware of the Event of Default, whichever is earlier, the Investor will give a written notice ("**Default Notice**") to the Company and/or the Promoters to remedy the default within 30 (thirty) days of receipt of such Default Notice (the "**Rectification Period**").

16.2.2 If upon expiry of the Rectification Period, an Event of Default has not been so rectified the Investor shall have the option to either:

- (a) Terminate this Agreement in the event of which, this Agreement shall cease to have effect, upon receipt of written notice of termination thereof by the Company and/or the Promoters or its authorised representative, provided that any termination shall be without prejudice to any rights or obligations accrued to or in respect of the Investor prior to the date of termination; or
- (b) Without termination, continue to exercise its rights under this Agreement, but without being liable to comply with any of its obligations hereunder.

16.2.3 In the event that the Investor commits an Event of Default or an Event of Default occurs, the Investor shall notify the Company and/or the Promoters within 15 (fifteen) days of becoming aware of the Event of Default. After receiving the notification of the Event of Default from the Investor or after the Company and/or the Promoters become aware of the Event of Default, whichever is earlier, the Company and/or the Promoters will give a written notice ("**Default Notice**") to the Investor to remedy the default within 30 (thirty) days of receipt of such Default Notice (the "**Rectification Period**").

16.2.4 If upon expiry of the Rectification Period, an Event of Default has not been so rectified the Company and/or the Promoters shall have the right to

- (a) Terminate this Agreement in the event of which, this Agreement shall cease to have effect, upon receipt of written notice of termination thereof by the Investor or its authorised representative, provided that any termination shall be without prejudice to any rights or obligations accrued to or in respect of the Company and/or the Promoters prior to the date of termination; or
- (b) Without termination, continue to exercise its rights under this Agreement, but without being liable to comply with any of its obligations hereunder.

16.3 Notwithstanding anything contained in Article 16.2 herein above, the non-defaulting Party shall be entitled to all the rights and remedies which are available to the non-defaulting Party under Law, equity or otherwise including such other rights and remedies as may be mutually agreed between the Parties in this Agreement and/or the Share Subscription Agreement. The

rights specified in this Article 16 shall be in addition to and not in substitution for any other remedies, including a claim for damages that may be available to the non-defaulting Party.

- 16.4 Termination of this Agreement: This Agreement may be terminated on the expiry of the Term of this Agreement unless terminated earlier pursuant to this Article 16.
- 16.5 In addition, this Agreement may be terminated by mutual consent of the Parties in writing.
- 16.6 The expiry/termination of this Agreement shall be without prejudice to any claim or rights of action previously accrued to the Parties hereunder.
- 16.7 Notwithstanding the above, Articles 14 (Representations and Warranties), 15 (Confidentiality), 16 (Termination), 17 (Notices), 18 (Indemnity) and 19 (Governing Law and Dispute Resolution) shall survive the expiry or earlier termination of this Agreement.

17. NOTICES

- 17.1 Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the relevant Party at its address or fax number set out below (or such other address or fax number as the addressee has by 15 (fifteen) Business Days' prior written notice specified to the other Parties). Any notice, demand or other communication given or made by letter between countries shall be delivered by registered airmail or international courier service. Any notice, demand or other communication so addressed to the relevant Party shall be deemed to have been delivered (a) if delivered in person or by messenger, when proof of delivery is obtained by the delivering Party, (b) if sent by post within the same country, on the fifth (5th) Business Day following posting, and if sent by post to another country, on the tenth (10th) Business Day following posting, and (c) if given or made by fax, upon dispatch and the receipt of a transmission report confirming dispatch.
- 17.2 The initial address and facsimile for the Parties for the purposes of the Agreement are:

If to the **Company**:

Name : Interarch Building Products Private Limited
Address : B-30, Sector 57,
Noida 201301
Uttar Pradesh

Attention : Chief Executive Officer
Fax : 0120 - 2581017
Telephone : 0120 - 2581029

If to the **Investor**:

Name : Indivision India Partners
Address : C/o International Financial Services Limited
IFS Court, Twenty Eight, Cybercity, Ebene,
Mauritius

Attention : Mr. Kapil Dev Joory
Fax : +2304674000
Telephone : +2304673000

If to the **Promoters:**

Name : Mr. Arvind Nanda
Address : 6 Dera Mandi Road
Mandi Village
Mehrauli
New Delhi 110 047

Fax : 0120-2581017
Telephone : 011-26651573
Name : Mr. Gautam Suri
Address : A-1/6, Vasant Vihar,
New Delhi 110 057

Fax : 0120-2581017
Telephone : 011-26142216

All notices to the Company will also be copied to the Promoters.

18. INDEMNITY

18.1 Indemnification by Promoters and the Company

18.1.1 The Promoters and the Company shall indemnify, defend and hold harmless the Investor, the Affiliates of the Investor (to the extent any such Affiliate holds the Investor Shares), their respective directors, officers, representatives, employees and agents (collectively, the "**Investor Indemnified Person**") from and against any and all Claims asserted against or incurred by the Investor Indemnified Person, as a result of, arising from, or in connection with or relating to any matter inconsistent with, or any breach or inaccuracy of any representation, warranty, covenant or agreement made or failure to perform (whether in whole or part) any obligation required to be performed by the Company pursuant to this Agreement.

18.1.2 Provided that the indemnity obligation contained in this Article 18 will also apply to the Promoters jointly to the extent that any of their obligations pursuant to this Agreement are to be performed by them in their personal capacity.

18.1.3 The indemnification rights of the Investor Indemnified Person under this Agreement are independent and in addition to other rights and remedies available under law or equity.

18.2 Process:

- (a) In the event any Investor Indemnified Person becomes aware of any matter that it believes is covered under Article 18.1.1 and such matter involves (i) any Claim made against the Investor Indemnified Person, the Promoters or the Company (ii) the commencement of any action, suit, investigation, arbitration or similar proceeding against the Investor Indemnified Person, the Company, the Promoters, the Investor Indemnified Person shall promptly notify the Promoters and the Company of such Claim setting out the amount due to the Investor Indemnified Person under this Article 18.2. The indemnity to the extent mentioned in Article 18.1.1 shall be made good by the Promoters and/or the Company to the Investor Indemnified Person, at the sole discretion of the Investor, within 60 (sixty) days of the Investor Indemnified Person, the Company, the Promoters being required to make any payments or incurring any loss or liability in relation to any Claims after having given the

Promoters and/or the Company an opportunity to defend such Claim in terms hereof if such Claim is as a result of any action, suit, investigation, arbitration or similar proceeding against the Investor Indemnified Person, the Company, the Promoters by any third Person.

- (b) In the case of any Claim or proceeding made against the Promoters and the Company which is covered by the indemnity set forth in Article 18.1.1, then the Promoters and the Company may, if it so desires, by notice to the Investor Indemnified Person, decide to defend such Claim on its own, but in consultation with the Investor Indemnified Person. For the avoidance of doubt, it is hereby clarified that in such an event, the Promoters and the Company shall have the right to control the defence, negotiation or settlement of such Claim or proceeding.
- (c) In the case of any Claim or proceeding made against the Investor Indemnified Person which is covered by the indemnity set forth in Article 18.1.1, then the Promoters and the Company also have the right, at its option and expense, to participate in the defence of such Claim, but not to control the defence, negotiation or settlement thereof (which control shall at all times rest with the Investor Indemnified Person, unless the Promoters and the Company have a defence or counterclaim in relation to such Claim which the Investor Indemnified Person is not entitled to assert, to the extent necessary to assert and maintain such defence or counterclaim) and the Promoters and the Company furnish satisfactory evidence of their financial ability to indemnify the Investor Indemnified Person, in which case the Promoters and the Company may assume such control through counsel of its choice (which counsel shall be satisfactory to the Investor Indemnified Person) at its own expense; provided that the Investor Indemnified Person shall continue to have the right to be represented, at the expense of the Investor, by counsel of its choice in connection with the defence, negotiation or settlement of such Claim. If the Promoters and the Company do not assume control of the defence of such Claim, the entire defence, negotiation or settlement of such Claim by the Investor Indemnified Person shall be deemed to have been consented to by, and shall be binding upon, the Promoters and the Company as fully as though the Promoters and the Company alone had assumed the defence thereof and a judgement had been entered in such Claim in respect of such settlement or judgement. The Parties to this Agreement agree to cooperate fully with each other in connection with the defence, negotiation or settlement of any Claim.
- (d) The Promoters' and the Company's obligation to indemnify pursuant to this Article shall arise immediately upon the Promoters and the Company and/or the Investor Indemnified Person incurring any liability pursuant to a Claim irrespective of any defence or right of appeal available to it. The failure of the Investor Indemnified Person to notify the Promoters and the Company of a Claim shall not relieve the Promoters and the Company of any indemnification responsibility under this Article unless such failure materially prejudices the ability of the Promoters and the Company to defend such Claim.
- (e) The Investor Indemnified Person shall procure that all reasonable steps are taken and all reasonable assistance is given to avoid or mitigate any losses, which in the absence of mitigation might give rise to a liability in respect of any claim for indemnity under this Article. Notwithstanding anything to the contrary, the Promoters and the Company shall not be liable to make payments of any Claims to the Company or the Investor Indemnified Person under this Article 18 unless and until the cumulative aggregate amount of the Claims under this Article 18 exceeds Rs. 50,00,000 (the "**Aggregate Liability Threshold**"). Once the aggregate claims of the Investor Indemnified Person against the Promoter and the Company exceeds the

Aggregate Liability Threshold, the Promoters and the Company shall become liable to pay such Claims in full, including Claims that are less than the Aggregate Liability Threshold, provided that, in calculating such Claims any individual Losses, that are less than Rs. 5,00,000 (the "**De Minimis Claims**") shall be excluded in their entirety and the Promoters and the Company shall have no liability to the Investor Indemnified Person for any such De Minimis Claims. Provided further that where the Promoters and the Company are liable to indemnify the Investor Indemnified Person alone (and not the Company) under this Article 18, the aggregate liability of the Promoters and the Company shall not in any event exceed an amount which is 100% of the Investor Investment Amount.

18.3 Indemnification by the Investor

18.3.1 The Investor shall indemnify, defend and hold harmless the Company and/or the Promoters, including their Affiliates (to the extent any such Affiliate holds Shares), their respective directors, officers, representatives, employees and agents (collectively, the "**Indemnified Person**") from and against any and all Claims asserted against or incurred by the Indemnified Person, as a result of, arising from, or in connection with or relating to any matter inconsistent with or any breach or inaccuracy of any representation, breach of any covenant or term of this Agreement or failure to perform (whether in whole or part) any obligation required to be performed by the Investor pursuant to this Agreement.

18.3.2 The indemnification rights of the Indemnified Person under this Agreement are independent and in addition to other rights and remedies available under law or equity.

19. GOVERNING LAW AND DISPUTE RESOLUTION

19.1 Governing Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the Laws of India. The courts at New Delhi shall have exclusive jurisdiction.

19.2 Dispute resolution

19.2.1 Notice. In the event any Party is in breach of any of the terms of this Agreement, the other Party(ies) may serve written notice to require the Party in breach to cure such breach within 30 (thirty) Business Days of the receipt of such written notice thereof.

19.2.2 Amicable Resolution. In the case of any dispute or claim arising out of or in connection with or relating to this Agreement, or the breach (where such breach has not been cured by the Party in breach within 30 (thirty) Business Days of a written notice thereof), termination or invalidity hereof, the Parties shall attempt to first resolve such dispute or claim through good faith discussions.

19.2.3 Arbitration. If the dispute is not resolved through such discussions within 30 (thirty) Business Days after 1 (one) Party has served a written notice on the other Party requesting the commencement of discussions, then such dispute shall be referred at the request in writing of any Party to the dispute to binding arbitration in accordance with Arbitration and Conciliation Act, 1996 of India, as amended from time to time. For the purpose of such arbitration, the Promoters and the Company shall jointly appoint one arbitrator and the Investor shall appoint 1 (one) arbitrator. The 2 (two) arbitrators shall then jointly appoint a third arbitrator, who shall serve as Chairman. All arbitration proceedings shall be conducted in the English language and the place of arbitration shall be New Delhi. The arbitrators shall decide any such dispute or claim strictly in accordance with the governing law specified in Article 19.1. The Parties shall cooperate and use their best endeavours to procure that the arbitral

proceedings are concluded within 30 (thirty) days. The arbitrators' decision shall be taken by a simple majority vote. Judgement upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

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

19.2.5 Costs. The costs and expenses of the arbitration, including, without limitation, the fees of the arbitrator(s), shall be borne equally by each Party to the dispute or claim and each Party shall pay its own fees, disbursements and other charges of its counsel, except for the fees and costs in respect of the presiding arbitrator which shall be borne equally by the Parties. The arbitrator(s) would have the power to award interest on any sum awarded pursuant to the arbitration proceedings and such sum would carry interest, if awarded, until the actual payment of such amounts.

19.2.6 Final and Binding. Any award made by the arbitrator(s) shall be reasoned and in writing and shall be final and binding on each of the Parties that were parties to the dispute. The Parties further agree and undertake to take all action including exercising its votes at a board and/or general meeting as may be necessary to fully and effectually implement the decision of the arbitrators. Provided that nothing shall preclude either Party from seeking interim relief from any court having jurisdiction to grant the same.

20. MISCELLANEOUS

20.1 No Partnership

The Parties expressly do not intend hereby to form a partnership, either general or limited, under any jurisdiction's partnership Law. The Parties do not intend to be partners to one another or partners as to any third party, or create any fiduciary relationship among themselves, solely by virtue of their status as Shareholders of the Company. To the extent that any Party, by word or action, represents to another Person that any other Party is a partner or that the Company is a partnership, the Party making such representation shall be liable to any other Parties that incur any losses, claims, damages, liabilities, judgments, fines, obligations, expenses and liabilities of any kind or nature whatsoever (including any investigative, legal or other expenses incurred in connection with, and any amount paid in settlement of, any pending or threatened legal action or proceeding) arising out of or relating to such representation.

20.2 No Agency

No Party shall act as an agent of the other Parties or have any authority to act for or to bind the other Parties unless specifically authorised in writing by that Party.

20.3 Amendment

This Agreement may not be amended, modified or supplemented except by a written instrument executed by each of the Parties.

20.4 Waiver

No waiver of any provision of this Agreement shall be effective unless set forth in a written instrument signed by the Party waiving such provision. No failure or delay by a Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the

exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by a Party of any breach by any other Party of any provision hereof shall be deemed to be a waiver of any prior, concurrent or subsequent breach of that or any other provision hereof.

20.5 Entire Agreement

This Agreement, its Schedules, the Share Subscription Agreement and the documents referred to herein and therein constitute the whole agreement between the Parties relating to the subject matter hereof and supersede any prior agreements or understandings relating to such subject matter executed amongst the Parties.

20.6 Severability

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

20.7 Counterparts

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

20.8 Time

Any date or period as set out in any Article of this Agreement may be extended with the written consent of the Parties failing which time shall be of the essence.

20.9 Independent Rights

Each of the rights of the Parties are independent, cumulative and without prejudice to all other rights available to them, and the exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of the Party, whether under this Agreement or otherwise.

20.10 No Assignment

Subject to the provisions of this Agreement, this Agreement is personal to the Company, the Promoters and the Investor and shall not be capable of assignment, without the prior written consent of the other Party. Notwithstanding the aforesaid, the Investor and the Promoter(s) may Transfer its Shares to any of its Affiliate(s), subject to such Affiliate executing a Deed of Adherence; provided that in the event that Affiliate ceases to be an Affiliate of the Investor or the Promoter(s) as the case may be, then the Investor or the Promoter(s) shall cause such Person to promptly re-Transfer such Shares held by it either to the Investor or the Promoter(s) or to an Affiliate of the Investor or the Promoter(s) ("**Permitted Transferee**"). The Shares Transferred by an Investor or the Promoter(s) to a Permitted Transferee shall be included for the purposes of computing the Investor's and/or the Promoter(s) shareholding under this Agreement.

20.11 No conflict

The provisions of this Agreement and the Charter Documents shall (as far as possible) be

interpreted in such a manner as to give effect to all such documents; provided however, that in the event of an inconsistency between this Agreement and the Charter Documents, to the extent permitted by Applicable Law, provisions of this Agreement shall prevail as between the Parties and shall govern their contractual relationship.

20.12 Dealing with properties

20.12.1 It is hereby agreed between the Parties that the Company shall hand over (as per the instructions received from the Promoters), possession/documents of title in respect of:

- (a) Apartment No. 510B, DLF Magnolias, DLF Golf Course Compound, Phase V, Gurgaon 122 001; and
- (b) Apartment No. 511B, DLF Magnolias, DLF Golf Course Compound, Phase V, Gurgaon 122 001.

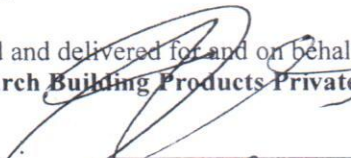
Further, the Company shall execute all documents and do all acts, deeds and things necessary to ensure that the above properties are dealt with in accordance with the instructions of the Promoters. The costs relating to the transfer of the properties shall be to the account of the Promoters.

20.12.2 The Parties hereby agree that all costs, expenses and liabilities involved in giving effect to this Article 20.12 shall be borne in the following manner:

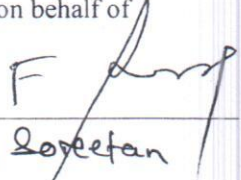
- (a) Until the hand over of possession/documents of title in accordance with Article 20.12.1, the Company shall be responsible for all costs, expenses and liabilities in respect of the properties; and
- (b) Upon the completion of the hand over of possession/documents of title in accordance with Article 20.12.1, the Promoters shall be responsible for all costs, expenses and liabilities (including any outstanding loan amounts due in respect of the properties) payable in respect of the properties.

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

Signed and delivered for and on behalf of
Interarch Building Products Private Limited

By : 
Name : Arvind Nandga
Title : Director, CEO.

Signed and delivered for and on behalf of
Indivision India Partners

By : 
Name : Mr. Fareed Soyeehan
Title : Director.

Signed and delivered for and on behalf of
The Promoters



Arvind Nanda



Gautam Suri

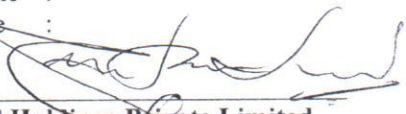
Taipan Associates Private Limited

By _____

Name :

Title :

Arvind Nanda
Director.



IGS Holdings Private Limited

By _____

Name : GAUTAM SURI

Title : DIRECTOR

SCHEDULE-I

List of Promoters

1. Mr. Arvind Nanda
2. Mr. Gautam Suri
3. Taipan Associates Private Limited
4. IGS Holdings Private Limited



SCHEDULE-II

Deed of Adherence

THIS DEED OF ADHERENCE is made on the [•] day of [•] of [•]
BETWEEN:

- (1) _____, [insert name and description of the entity which is acquiring the Shares]
(hereinafter referred to as the "Acceding Party") of the **First Part**,

AND

- (2) [insert the name of the continuing Shareholder(s)], of the **Second Part**.

WHEREAS:

- (A) This Agreement is supplemental to the Shareholders Agreement dated 4th December, 2007 ("Agreement") executed between Indivision India Partners, the Promoters and Interarch Building Products Private Limited ("Company").

WITNESSETH:

1. The Acceding Party hereby confirms that [insert name of the Transferring Shareholder] (the "Transferor") has agreed to transfer to it the Shares mentioned in the Schedule hereto (the "Transfer Shares").
2. The Acceding Party hereby confirms that it has been supplied with a copy of the Agreement and hereby covenants with and in favour of all present Parties to the Agreement (whether original or by accession), and also for the benefit of all persons who subsequently become Parties thereto, that with effect from the date hereof, it will assume, fulfill and discharge all obligations and liabilities attached to the Transfer Shares on or after [•] and that it will observe, perform and be bound by all the terms of the Agreement.
3. Each of the Parties hereto acknowledges and agrees that as of the date of signing this Deed of Adherence, the Acceding Party shall become a party to, shall be bound by, and shall enjoy the rights and benefits available to the Transferor which are attached to the Transfer Shares under the Agreement.
4. Words and expressions in this Deed of Adherence shall have the same meaning as in the Agreement.
5. The initial address and other details of the Acceding Party for the purposes of Article 17 of the Agreement shall be:

[insert address]
6. This Deed shall be governed by and construed in accordance with the Laws of India.



IN WITNESS WHEREOF the Parties hereto have executed this document on the date appearing at the head hereof.

Signed by [●] on behalf of [Acceding Party]

Authorized Signatory

Signed by [●] on behalf of [Continuing Shareholder (s)]

Authorized Signatory



SCHEDULE-III

Affirmative Vote Rights

- a. Annual business plan / budgets of the Company.
- b. Any capital expenditure or indebtedness (including giving of security for or guaranteeing debts) beyond 10% of that budgeted for in the annual business plan that is approved by the Board.
- c. Any substantial deviation in operations and strategies compared to business plan of the Company.
- d. Any contract which involves an amount in excess of Rs. 1,00,00,000 which is outside the ordinary course of the Business.
- e. The acquisition by the Company of any share capital or other securities of any body corporate or the incorporation or setting up of a subsidiary or associated company.
- f. Amendments or any proposal to amend the Memorandum or Articles of Association of the Company including inter alia change in the number of Board members of the Company.
- g. Any proposal for:
 - (i) the reconstruction, consolidation or reorganization of the Company; or
 - (ii) the amalgamation or merger of the Company with any other company or concern; or
 - (iii) the winding up or liquidation of the Company.
- h. Change of business or commencement of any new line of business.
- i. Commencement or settlement of litigation where the amount involved is above Rs. 1,00,00,000 in a single claim in any particular financial year.
- j. Changes to material accounting or tax policies or practices other than those required by applicable law.
- k. The Company making any advance or loan or providing any credit to any person outside the normal course of business.
- l. The Company giving or renewing of security for or the guaranteeing of debts or obligations of the Company and / or its Affiliates except in the ordinary course of business.
- m. The Company giving any guarantee, indemnity or security in respect of the obligations of any other person which is outside the course of its business.
- n. Any change in the financial year for preparation of audited accounts of the Company.
- o. Any resolution to appoint or re-appoint or for the removal of statutory auditors of the Company.
- p. Divestment of or sale of assets, investments, lease, license or exchange or pledge in any other way proposing to dispose off any assets or undertaking of the Company where the consideration for a single such transaction except for those transactions which are in the ordinary course of business and those which have specifically been contemplated under the Transaction Documents.

- q. Any agreement, arrangement, transaction to sell or assignment of intellectual property rights including those relating to copyrights, trademarks, patents and designs belonging to the Company.
- r. Shifting of registered office of the Company.
- s. Any change in the name of the Company.
- t. Commencement of business/unit/division outside India.
- u. Subject to Article 12 above, any increase in the issued, subscribed or paid up equity or preference share capital of the Company, or re-organization of the share capital of the Company, including new issue of shares or other securities of the Company or any preferential issue of shares or redemption of any shares, issuance of convertible warrants, or any instruments convertible into equity, or grant of any options over its shares by the Company.
- v. Any reduction in the authorized capital of the Company either by lowering the par value of shares or by decreasing the number of shares issued, any sub-division or amalgamation of the authorized or issued share capital of the Company or of any rights or privileges attached to any shares or class of shares of the Company.
- w. Any payment of dividends or other distribution by the Company.
- x. Subject to Article 12, creation or adoption of any new or additional equity option plan by the Company for its employees.
- y. Formation of or entry by the Company into joint venture, consortium, partnership or similar arrangement with any other person or business except in the ordinary course of the business.
- z. The making by the Company of any arrangement with its creditors and the moving for insolvency, receivership or bankruptcy.
- aa. Affiliated or related party transactions, agreements or arrangements between the Company and the Promoters and/or their Affiliates except for those transactions which have specifically been contemplated under the Transaction Documents.
- bb. Revise the salaries/ compensation paid to the directors of the Company, including the Promoters.
- cc. Appointment or removal of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer of the Company.
- dd. Initial Public Offering by the Company.
- ee. Entering an agreement to do any of the foregoing.
- ff. Appointment of merchant bankers for an IPO.
- gg. Induction of any new member on the Board of the Company where such new member is required to be nominated on the Board pursuant to an increase in the size of the Board.

SCHEDULE-IV

Procedure for determining the fair market value

The Fair Market Value of the shares of the Company shall be determined in the following manner:

- a. Each of the Investor and the Promoters shall appoint 1 (one) Independent Financial Advisor.
- b. The 2 (two) Independent Financial Advisors so appointed shall jointly appoint a third Independent Financial Advisor.
- c. All the 3 (three) Independent Financial Advisors appointed pursuant to (a) and (b) above shall determine such fair market value, which shall be determined within the relevant periods specified in this Agreement in respect of the Investor Shares.
- d. The fair market value which is the median number of the 3 (three) determinations by the 3 (three) Independent Financial Advisors shall be adopted as the Fair Market Value for the relevant purpose and shall be final and binding on all the Parties.
- e. The Parties shall provide the Independent Financial Advisor (who is determining the Fair Market Value) with all data and information reasonably required by such Independent Financial Advisor for the purposes of making its determination.

