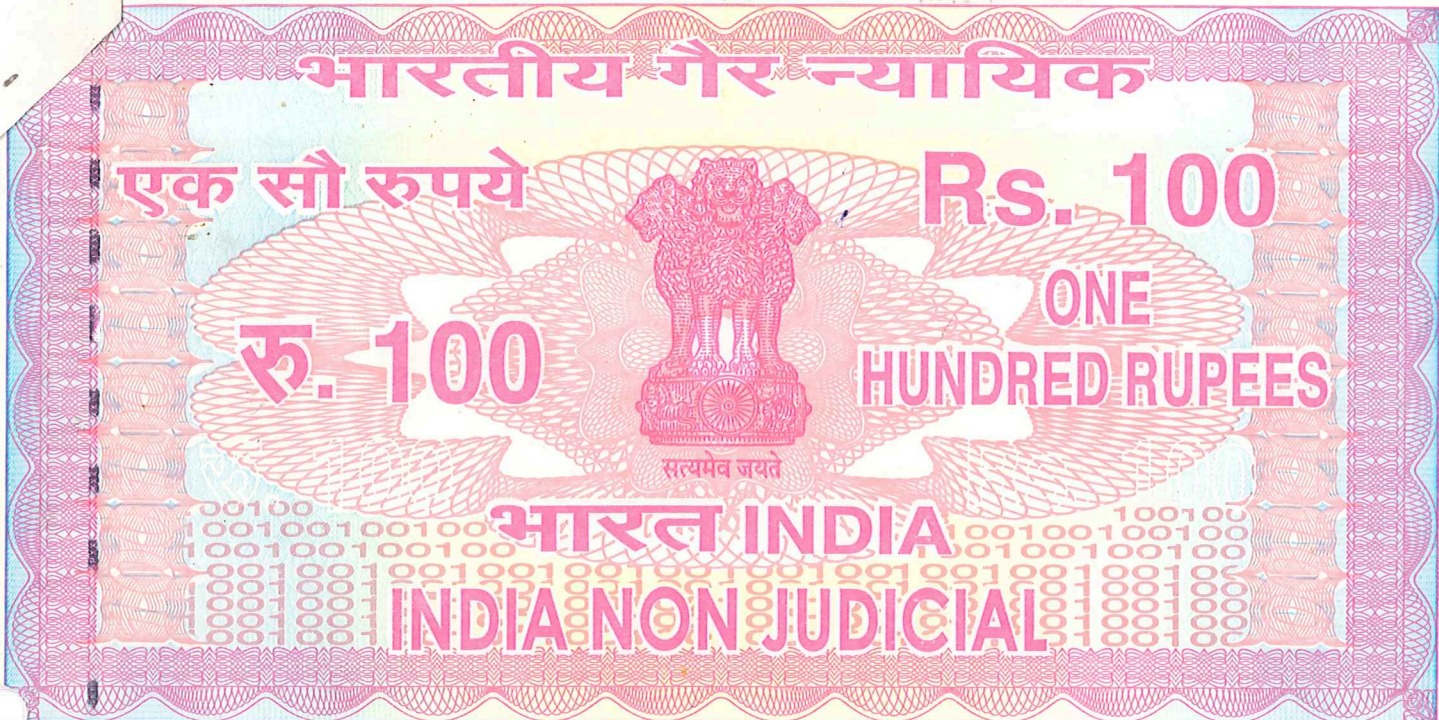


Counter Part Rs 500/-



കേരളം KERALA

AT 976166

This forms an integral part of the Shareholders

Agreement dated 13 October 2015



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No: 3..2454..Date: 13.10.15
Value of Rs. 100/-
Sold to: Popular vehicles & services pvt. ltd.
To be linked with St. No: Kuttikaram centre
mamangalam - Cochin 682025

R. AYVADAN MENON
SIA
ED



भारतीय गैर न्यायिक

एक सौ रुपये

Rs. 100

रु. 100

ONE HUNDRED RUPEES



सत्यमेव जयते

भारत INDIA

INDIAN NON JUDICIAL



കേരളം केरल KERALA

AT 976167

This forms an integral part of the Shareholders

Agreement dated 13 October 2015



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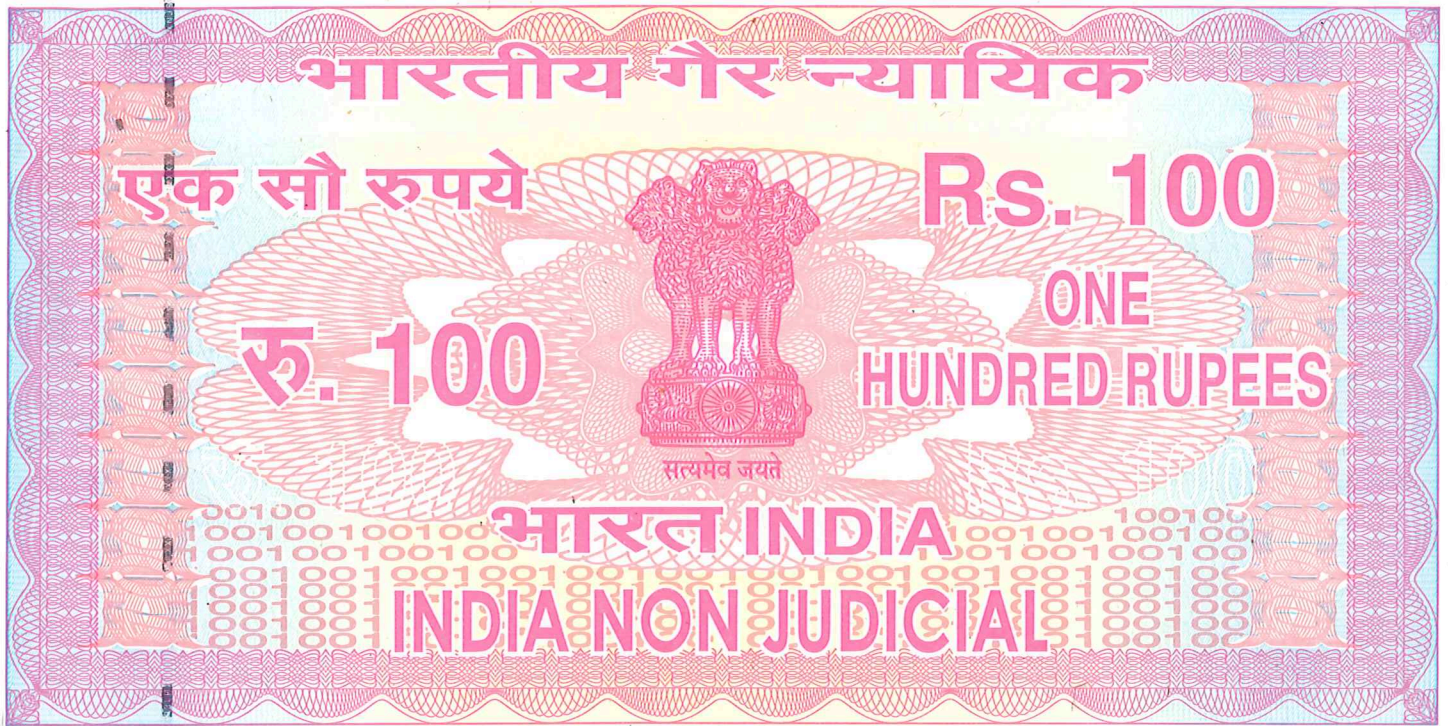


No. 2455 Date 13.10.15
Value of Rs. 100/-
Sold to.....
To be linked with Sr. No.....

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R. AYYAPPA MENON
STAMP ENDOR
EDAPPALLE

Popular Vehicles & Services Pvt. Ltd.
Kuttukaran Centre
Mamangalam, Cochin - 682 025





കേരളം കേരल KERALA

AT 137298

This forms an integral part of the Shareholders

Agreement dated 13 October 2015

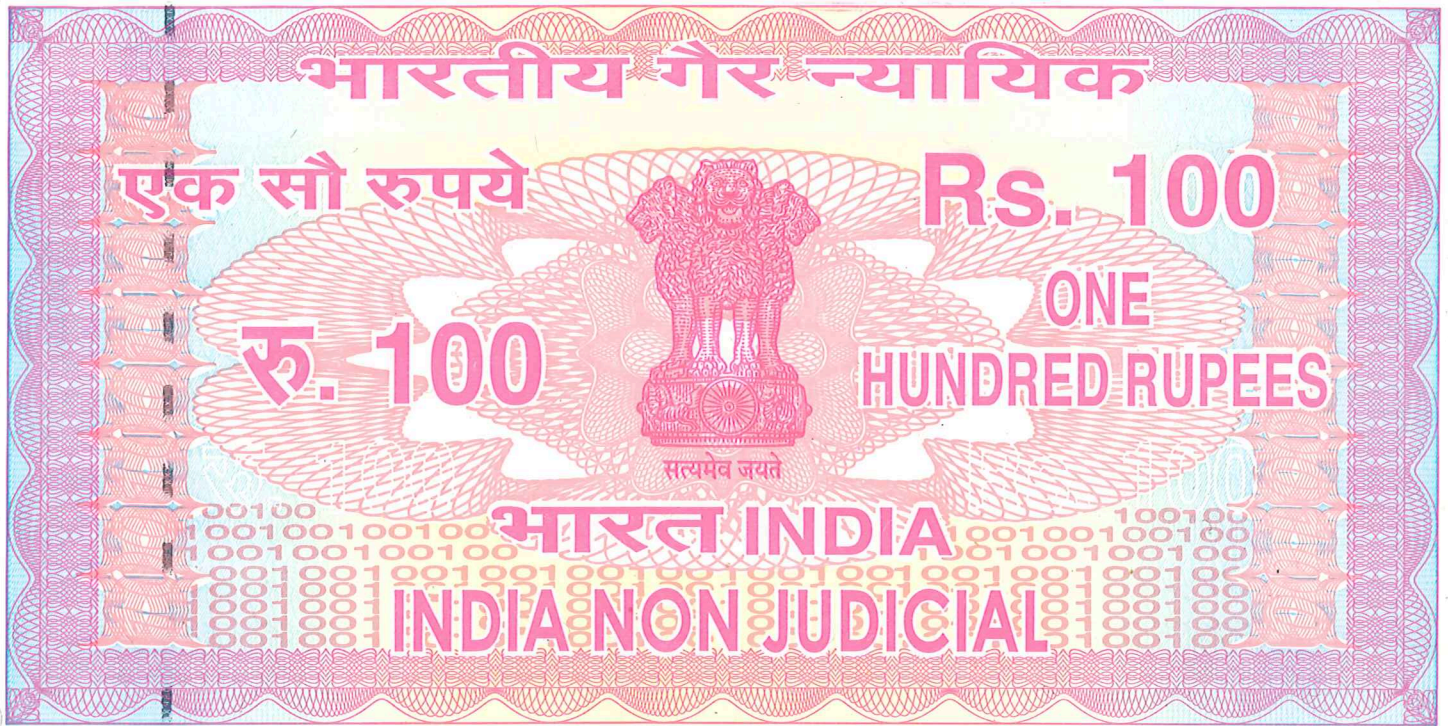


18172 - 9-10-2015
NO. Date

LISSY SEBASTIAN
CJM Court Vendor, EKM

Popular Vehicles & Services Pvt. Ltd.
Kuttukaran Centre
Mamangalam, Cochin - 682 025





കേരളം കേരल KERALA

AT 137299

This forms an integral part of the Shareholders

Agreement dated 13 October 2015



18173 - 9.10.2015
NO. Date

LISSY SEBASTIAN
CJM Court Vendor, BKM

Popular Vehicles & Services Pvt. Ltd.
Kuttukaran Centre
Mamangalam, Cochin - 682 025





KHAITAN
& CO

SHAREHOLDERS AGREEMENT

RELATING TO POPULAR VEHICLES AND SERVICES PRIVATE LIMITED

13 OCTOBER 2015

BY AND AMONGST

POPULAR VEHICLES AND SERVICES PRIVATE LIMITED
(as Company)

AND

BANYANTREE GROWTH CAPITAL II, LLC
(as Investor)

AND

MR. JOHN K. PAUL

MR. FRANCIS K. PAUL

MR. NAVEEN PHILIP
(as Sponsors)

Khaitan & Co
One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai 400 013, India
T: +91 22 6636 5000
F: +91 22 6636 5050
Ref: KAM/2015



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This **SHAREHOLDERS AGREEMENT** ("Agreement") is entered into on this 13th day of October 2015.

BY AND AMONGST:

- (1) **POPULAR VEHICLES AND SERVICES PRIVATE LIMITED**, a company incorporated in India under the (India) Companies Act, 1956, whose registered office is at Kuttukaran Centre, Mamangalam, Palarivattom P.O., Ernakulam, Kerala – 682025 (the "**Company**");
- (2) **MR. JOHN K. PAUL**, a citizen of India, having PAN AFFPP1585F and residing at 42/1058, Kuttukaran House, St Benedict Road, Ernakulum, Kerala 682018 (the "**Sponsor 1**");
- (3) **MR. FRANCIS K. PAUL**, a citizen of India, having PAN AFFPP1584E and residing at Kuttukaran House, N H Bye Pass Road, Padivattom, Edapilly, P O, Ernakulum, Kerala 682024 (the "**Sponsor 2**");
- (4) **MR. NAVEEN PHILIP**, a citizen of India, having PAN AFHPP3516N and residing at Valityathottahil House, Dewans Road, Beat 10, Ernakulum (the "**Sponsor 3**");

AND

- (5) **BANYANTREE GROWTH CAPITAL II, LLC**, a company incorporated under the laws of Mauritius, whose principal place of business is at 13th Floor, Nexteracom 1, Cybercity, Ebene, Mauritius (the "**Investor**").

Sponsor 1, Sponsor 2 and Sponsor 3 are hereinafter collectively referred to as the "**Sponsors**" and individually referred to as a "**Sponsor**".

The Sponsors, the Investor and the Company are hereinafter collectively referred to as the "**Parties**" and individually referred to as a "**Party**".

WHEREAS:

- A. Pursuant to the Share Subscription Agreement (as defined below), the Investor has on the Completion Date (as defined below) agreed to subscribe to the CCDs (as defined below) and the Investor Equity Shares (as defined below) issued by the Company.
- B. The Company is an Indian owned and controlled company. The shareholding structure of the Company on the Completion Date will be as set out in Schedule 1 (*Shareholding*). Pursuant to the initial investment made by the Investor, the (i) majority shareholding and voting rights in the Company will remain with the Sponsors (who are Indian residents and citizens), and the (ii) majority of the members on the board of directors of the Company will continue to be the Sponsors and their respective nominees.
- C. As the Investor is a minority financial investor investing in an Indian owned and controlled company, the Parties are entering into this Agreement to set out their respective rights and obligations in relation to the operation and management of the Company (including certain minority protection rights of the Investor), the Group Companies, further subscription to the securities of the Company and other matters related to the Investor's investment in the Company.



NOW THEREFORE, in consideration of the mutual agreements, covenants, representations and warranties set forth in the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised terms in this Agreement shall have the same meaning as defined in the Share Subscription Agreement save as otherwise defined herein. In this Agreement, the following words and expressions shall have the following meanings unless the context requires otherwise:

"Adjusted PAT" has the meaning given in Schedule 3 (*Terms and Conditions of the Investor Securities*);

"Affiliate" means, (i) in respect of any specified Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person, and (ii) in respect of the Investor, without prejudice to the foregoing, the limited partners of, and any fund, collective investment scheme, trust, partnership (including any co-investment partnership) or investment company / special purpose vehicle / investment fund owned, managed, advised, Controlled or promoted by (a) the Investor or by its Affiliates, or (b) the investment manager or investment advisor of the Investor and/ or its Affiliates; provided that the Company and the Group Companies shall not be considered an Affiliate of any Shareholder. In case of natural persons, his/her Relatives shall also be deemed to be Affiliates of such natural persons;

"Annual Business Plan and Budget" means (i) the annual operating and capital budget for the Company and the Group Companies for a Financial Year, and (ii) the annual business and financing plan for the business of the Company and the Group Companies for a Financial Year, which plan shall include details of projected revenues, operating and capital expenditure, cash flow and financing requirements and the amount, timing and means of any external and/or Shareholder financing (if any);

"Anti-Corruption Laws" means the (Indian) Prevention of Corruption Act, 1988, as amended from time to time, or any other anti-corruption or anti-bribery laws or regulations applicable to the Company, the Group Companies or their Subsidiaries;

"Anti-Money Laundering Laws" means those laws, regulations and sanctions that (a) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (b) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers, supporters of weapons proliferation; (c) may require the Investor to obtain information on the identity of, and source of funds for investment by, the Sponsors; or (d) are designed to disrupt the flow of funds to terrorist organisations;

"Articles" or **"Articles of Association"** means the articles of association of the Company, from time to time;

"Authorisation" means any (a) authorisation, consent, approval, resolution, license, permit, exemption, filing, notarisation, lodgement, registration or waiver of notice of a Governmental Authority or any Third Party; and (b) authorisation, resolution or approval of the board and/or shareholders of the Company and any Group Company;



“**Big 5 Accounting Firms**” means Ernst & Young, KPMG International, Deloitte & Touche, PWC, Grant Thornton and/or their respective associated firms in India;

“**Board**” or “**Board of Directors**” means the board of directors of the Company, from time to time;

“**Business**” has the meaning given in Clause 3.1(a);

“**Business Day**” means any day which is not a Saturday or Sunday or a public holiday in Mumbai, India and Mauritius, on which banks are generally open for inter-bank transactions in the aforementioned jurisdictions;

“**CCD Consideration**” means an amount of USD equivalent of INR 650,000,000/- (Indian Rupees six hundred and fifty million) as determined on the Completion Date;

“**Chairman**” means the chairman of the Board, from time to time;

“**Companies Act**” means the Companies Act, 2013 as amended from time to time and shall include any statutory replacement or re-enactment thereof and the Companies Act, 1956 only to the extent not replaced by the Companies Act, 2013;

“**Confidential Information**” has the meaning given in Clause 18.1;

“**Consideration**” shall mean (i) for the period of time prior to the completion of the Subsequent Investment Tranche: the sum of the CCD Consideration and the Equity Consideration; and (ii) at any time after the completion of the Subsequent Investment Tranche: the sum of the CCD Consideration, the Equity Consideration and any amount paid by the Investor for the Subsequent Investment Tranche;

“**Control**” or “**control**” means, in relation to a Person, any one of the following being satisfied:

- (a) holding or controlling, directly or indirectly, a majority of the voting rights exercisable at shareholder meetings (or the equivalent) of that Person; or
- (b) having, directly or indirectly, the right to appoint or remove directors holding a majority of the voting rights exercisable at meetings of the board of directors (or the equivalent) of that Person; or
- (c) having directly or indirectly the ability to direct or procure the direction of the management and policies of that Person, whether through the ownership of shares, by contract or otherwise;

the terms “**controlling**” and “**controlled**” shall be construed accordingly;

“**Conversion Notice**” has the meaning given in Schedule 3 (*Terms and Conditions of the Investor Securities*);

“**Conversion Shares**” has the meaning given in Schedule 3 (*Terms and Conditions of the Investor Securities*);

“**Dealership Business**” means the automobile dealership business undertaken by the



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Company and the Group Companies. For the avoidance of doubt, the business of the Company and the Group Companies includes: (a) the operation of showrooms to buy and sell new and used automobiles, (b) the operation of workshops, body shops and garages to repair and service vehicles, (c) wholesale trading and distribution of motor vehicle parts, (d) operating driving schools and (e) any such other business as is presently being carried out by the Company and the Group Companies;

"Deed of Adherence" means a deed substantially in the form set out in Schedule 2 (*Deed of Adherence*);

"Default Notice" has the meaning given in Clause 16.1(d)(i);

"Designated Person" means a Person designated by the Investor, subject to such Person not being an Investor Restricted Party;

"Director" means a member of the Board of Directors, from time to time, and **"Directors"** shall be construed accordingly;

"Dispute" has the meaning given in Clause 27.2(a);

"Distribution" means any dividend, buy-back, redemption or any other distribution of assets by the Company to any Shareholder;

"Drag Notice" has the meaning given in Clause 16.4(c);

"Drag Right" has the meaning given in Clause 16.4(b);

"Drag Shares" has the meaning given in Clause 16.4(c);

"Effective Date" means the Completion Date;

"Encumbrance" means any pledge, charge, lien, mortgage, debenture, hypothecation, security interest, pre-emption right, option or any other defect in title, encumbrance or third party right or claim of any kind or any agreement to create any of the above;

"Equity Consideration" means an amount of INR 10,000/- (Indian Rupees ten thousand) payable by the Investor to the Company for the Investor Equity Shares;

"Equity Shares" means the ordinary equity shares of the Company having a face value of INR 10 (Indian Rupees ten) each;

"Event of Default" means any event or circumstance specified as such in Clause Error! Reference source not found.(a);

"Excess Event" has the meaning given under Clause 5.2(b);

"Excess Investor Shares" means such number of Shares held by the Investor as are to be purchased by the Sponsors in accordance with Clause 5.2 so that the Investor does not exceed the Shareholding Cap;

"Exempted Transfer" has the meaning given in Clause 12.2(b);



“Exercise Notice” has the meaning given in Clause 16.3(b);

“Exit Purchase” has the meaning given in Clause 13.1(a)(ii);

“Failed IPO” has the meaning given in Clause 13.2(e)(iii);

“Financial Year” means the period from 1 April of a calendar year to 31 March of the following calendar year;

“FMV” has the meaning given in Clause 16.3(b) and is calculated in accordance with Clause 16.3(d);

“Governmental Authority” means any government or quasi-government authority, ministry, statutory authority, government department or agency, commission, board, tribunal, court or authority or other law, rule or regulation making entity or any state or other subdivision thereof or any municipality, district or other subdivision thereof;

“Government Official” means any officer or employee of a Governmental Authority or any department, agency, or instrumentality thereof, or of a public international organisation, or any person acting in an official capacity for or on behalf of any such Governmental Authority or department, agency, or instrumentality, or for or on behalf of any such public international organisation, or any political party, party official or candidate thereof;

“Group Companies” means, collectively, Vision Motors Private Limited, Popular Autoworks Private Limited, Popular Auto Dealers Private Limited and Popular Mega Motors (India) Private Limited;

“Identified Leased Properties” means the properties leased by the Company and the Group Companies from the Sponsors and /or their Affiliates, which are set out Schedule 7 (*Identified Leased Properties*);

“Indebtedness” shall mean with respect to any Person, all indebtedness of such Person (whether present, future or contingent) and includes without limitation: (i) all liabilities or obligations of such Person for borrowed money or with respect to advances of any kind; (ii) all obligations of such Person for the deferred purchase price of property, goods or services; (iii) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Encumbrance on the property of such Person; and (iv) all guarantees by such Person;

“Indemnified Parties” has the meaning given in Clause 17.1;

“Indemnifying Party” has the meaning given in Clause 17.1;

“INR” or “Rupees” means the lawful currency of the Republic of India;

“Insolvency Event” means any of the following events:

- (a) the relevant party (i) is unable to pay its debts or suspends making payments on any of its debts, as they fall due and payable, and such debts are not paid within 180 (one hundred and eighty) days of the date on which they become due and payable, or (ii) admits inability to pay its debts as they fall due and payable or, by reason of financial difficulties reschedules its indebtedness;



- (b) the relevant party voluntarily files or institutes a petition or proceeding seeking a judgment of insolvency or an order for winding up or any other relief under any bankruptcy or insolvency laws or other laws affecting creditor rights;
- (c) any Person (i) files or institutes against the relevant party, a petition or proceeding seeking a judgment of insolvency or an order for winding up or any other relief under any bankruptcy or insolvency laws or other laws affecting creditor rights on account of a failure by the relevant party to pay an amount, when due and payable, and any such petition or proceeding is not dismissed within 180 (one hundred and eighty) days, or such person obtains an admission order or interlocutory order in connection with such petition or proceeding (including for the appointment of a provisional liquidator, receiver or manager in respect of the relevant party or any of its assets), and provided that if any such order is an *ex parte* order passed by a court, such order is not stayed or dismissed within a period of 30 (thirty) days, or (ii) obtains a judgment of insolvency or a winding up order in respect of the relevant party from a court of competent jurisdiction and such judgment of insolvency or winding up order is not stayed or dismissed within a period of 60 (sixty) days;
- (d) any corporate action, legal proceedings or other procedure or step is taken or notice is given in relation to a composition or arrangement with any creditors of the relevant party (in respect of relief in respect of debt repayment obligations);
- (e) any legal proceedings are initiated in connection with the enforcement of any security over any assets of the relevant party, provided that, such legal proceedings are not dismissed within a period of 180 (one hundred and eighty) days; or
- (f) any analogous procedure or step is taken in any jurisdiction with respect to the relevant party;

Intellectual Property" has the meaning given in the Share Subscription Agreement;

"investment FMV" means 18% (eighteen percent) IRR;

"Investor Director" has the meaning has the meaning given in Clause 7.2(a)(i);

"Investor Equity Shares" means 100 (one hundred) Equity Shares subscribed to by the Investor and issued by the Company pursuant to the terms of the Share Subscription Agreement;

"Investor Securities" means the CCDs, the Investor Equity Shares and/or the Conversion Shares;

"IPO" or **"Initial Public Offering"** means the first public offering of Shares (which public offering complies with all applicable legal, regulatory and listing requirement) whether by means of a fresh issue of additional Shares, an offer of Shares by the Shareholders or a combination of the foregoing, and the listing of such Shares and their admission to trading on a Recognised Stock Exchange;

"IRR" means the internal rate of return for a schedule of cash flows, which rate of return shall be calculated:

- (a) from a specified date until another specified date;



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- (b) as a per annum rate and all amounts shall be calculated and compounded on an annual basis; and
- (c) using the XIRR function in Microsoft Excel;

"Key Managerial Personnel" means the chief executive officer, managing director, an executive director or chief financial officer or any member of the management of the Company earning remuneration in excess of INR 2,500,000 (Indian Rupees million), and shall specifically include Sponsor 1, Sponsor 2 and Sponsor 3;

"Liquidation Preference Amount" has the meaning given in Schedule 3 (*Terms and Conditions of the Investor Securities*);

"Loss" or "Losses" has the meaning given in the Share Subscription Agreement;

"Lowest Offered Price" has the meaning given in Clause 12.7(b);

"Material Adverse Effect" shall mean in respect of the Company and/or the Group Companies means any (a) event, occurrence, fact, condition, change, development or effect that is, or may reasonably be, materially adverse to the business, operations, prospects, results of operations, condition (financial or otherwise), properties or assets (whether tangible or intangible) or liabilities of the Company and/or the Group Companies which has the effect of causing aggregate losses to the Company and/or the Group Companies exceeding INR 10,000,000 (Indian Rupees ten million only) and is attributable to the Company or any Group Company (as the case may be); (b) material impairment of the ability of the Company to perform its obligations under the Transaction Documents, or (c) any change in applicable laws or policies which has a material financial impact on the Company and/ or the Group Companies or which results in the existing investment structure or the obligations of the Parties becoming unenforceable and results in the failure to achieve the commercial intentions of the Parties agreed upon, and recorded in the Transaction Documents;

"Memorandum" or "Memorandum of Association" means the memorandum of association of the Company, as amended from time to time;

"Merchant Bank" has the meaning given in Clause 13.2(c)(i)(C);

"MIS" has the meaning given in paragraph 3.6 of Schedule 4 (*Company Covenants*);

"MIS Format" shall mean the format form MIS provided to the Company by the Investor in a form agreed by the Investor;

"New Issuance" has the meaning given in Clause 12.6(a);

"Non-Executive Directors" has the meaning given in Clause 7.8(b);

"Notice" has the meaning given in Clause 26.1;

"Person" means a corporation, association, unincorporated association, partnership (general or limited), joint venture, estate, trust, limited liability company, limited liability partnership or any other legal entity, individual or government, state or agency of a state;



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“Popular Group” means the Company and the Group Companies and each of their respective Subsidiaries;

“Prohibited Actions” has the meaning given in Schedule 3 (*Regulatory Requirements*);

“Protective Matters” has the meaning given to in Clause 9.1(b);

“Put Option” has the meaning give in Clause 16.3(a);

“Put Option Purchase Price” has the meaning given in Clause 16.3(b);

“Put Option Securities” has the meaning give in Clause 16.3(a);

“QIPO” or “Qualified Initial Public Offering” means an IPO pursuant to which the Shares offered to public investors shall be at a price which is equivalent to or greater than 22% (Twenty two percent) IRR or 2.5x (Two point five times) money multiple of the Consideration at the lower end of the IPO price band;

“Quarter” means a 3 (three) month period each commencing on 1 January, 1 April, 1 July and 1 October of each calendar year;

“Recipient” has the meaning given in Clause 18.1;

“Recognized Stock Exchange” means the Bombay Stock Exchange Limited or the National Stock Exchange of India Limited or any other internationally recognised public securities market acceptable to the Investor;

“Related Party” means (i) any shareholder holding 5% (Five percent) or more of the paid up equity share capital of any of the Company and/or the Group Companies; (ii) any director of the Company and/or such Group Company; (iii) any officer (as defined in the Companies Act) of the Company and/or such Group Company; (iv) any Relative of a shareholder, director or officer (as defined in the Companies Act) of the Company and/or such Group Company; (v) any Person in which any aforesaid shareholder, director or officer (as defined in the Companies Act) of the Company and/or such Group Company has any interest, other than a passive shareholding of less than 5% (Five percent) in a publicly listed company; (vi) any other Affiliate of the Company and/or such Group Company or of a shareholder or of a director or officer of the Company and/or such Group Company; and/or (vii) a related party within the meaning of Indian GAAP. For the purposes of this Agreement it is clarified that each of the Sponsors and their Affiliates shall be deemed to be a Related Party of the Company and/or the Group Companies;

“Relative” means, in respect of any natural person, his or her spouse, parents, children and first degree cousins who are directly associated with the Dealership Business undertaken by the Company and the Group Companies;

“Relevant Proportion” means, in the case of each Shareholder, such percentage as equates to the total number of Shares (on a fully diluted basis) held by such Shareholder as a percentage of the total number of Shares then issued and outstanding on a fully diluted basis save that if the expression “Relevant Proportion” is used in the context of some (but not all) of the Shareholders, it shall mean such percentage as equates to the total number of Shares held by such Shareholder (on a fully diluted basis) as a percentage of the total number of Shares held by the Shareholders to whom the context refers on a fully diluted



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basis ("Relevant Shareholder"). For the avoidance of doubt, it is clarified that (i) in the event of exercise of a Tag Along Right in accordance with Clause 12.5, the Relevant Shareholder shall be the Transferring Party; and (ii) in calculating the total number of Shares held by the Investor for the purposes of determining its Relevant Proportion, the provisions of Schedule 3 (*Terms and Conditions of the Investor Securities*) shall apply;

"Representative" has the meaning given in Clause 28.1;

"Restricted Activities" means with respect to the Sponsors or any of their Affiliates:

- (a) establishing another entity, vehicle or joint venture or entering into any business that, in each case, is competitive with, or potentially competitive with, or has the same or substantively the same goals and objectives as, the Business;
- (b) either solely or jointly with or on behalf of any Person directly or indirectly carrying on, or being engaged in, or employed by, or receiving any financial benefit from, or interested in any business or entity which is competitive with, or potentially competitive with, or carries on or is proposed to carry on a business with the same or substantively the same goals and objectives, as the Business;
- (c) provides any know-how or technical assistance to any Person, other than the Popular Group, in relation to the Business;
- (d) negotiating with any Person for the purposes identified in (a), (b) and (c) above;
- (e) soliciting, canvassing, enticing away or inducing or persuading or attempting in any manner to solicit, canvass, entice away, induce or persuade any Person dealing or engaged with the Company or any Group Company, to (i) cease dealing or doing business or to (ii) reduce the amount of dealings or business which any such Person has customarily done with the Company or any Group Company or to (iii) unfavourably vary the terms of their business or dealings with the Company or any Group Company; (iv) discontinue the affiliation or relationship (existing or proposed arrangement) of a community or institution with the Company or any Group Company; and (v) to refer prospective clients/customers/supplier to any competitor of the Company or any Group Company or to discontinue referring prospective clients/customers/supplier to the Company or any Group Company;
- (f) offering employment to, entering into a contract for the services of, or attempting to entice away from the Company or a Group Company, any individual who is (at the time of the offer or attempt), or has been at any time within the 12 (twelve) month period prior to the offer or attempt, an employee of the Company or a Group Company, or procuring or facilitating the making of any such offer or attempt by any other Person, or interfering in any manner with the contractual, employment or other relationship of the employee of the Company or any of the Group Companies and/or any of its Affiliates without the prior written consent of the Investor. However, for any transfer of employees of the Company and/ or the Group Company between the Company, any Group Company and any of their Affiliates including those entities which are no longer part of the Popular Group pursuant to the Restructuring, such transfer of employees may be undertaken with prior written intimation to the Investor; or
- (g) causing or permitting any Person directly or indirectly under its control to do any of



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the foregoing acts or things;

“**Restricted Period**” means, in relation to the Sponsors, the period from and including the Effective Date until the date of termination of this Agreement;

“**Rules**” has the meaning given in Clause 27.2(b);

“**Sale Notice**” has the meaning given in Clause 12.5(b);

“**Sale Shares**” has the meaning given in Clause 12.5(c);

“**Secondary Sale**” means a sale of the Shares held by the Investor to a Third Party;

“**Shareholder**” means any Person registered in the books of the Company as the holder of a Share for the time being;

“**Shareholding Cap**” has the meaning given under Clause 5.2(a);

“**Shares**” means the Equity Shares and the CCDs issued by the Company and any other securities (including those convertible into or exercisable or exchangeable for Equity Shares) issued by the Company on an as-if-converted basis, and “**Share**” shall be construed accordingly;

“**Share Subscription Agreement**” means the share subscription agreement of even date executed by an amongst the Sponsors, the Company and the Investor;

“**Sponsor Call Option**” has the meaning given under Clause 5.2(b);

“**Sponsor Controlled Entity**” means a Person in which Sponsor 1, Sponsor 2, Sponsor 3 or any Affiliate of any of the Sponsors own 50% (Fifty percent) or more of the voting rights, and in whom Sponsor 1, Sponsor 2, Sponsor 3 or any Affiliate of any of the Sponsors have the right to appoint the majority of the board members;

“**Subsequent Investment Tranche**” has the meaning given under Clause 6 (*Subsequent Investment Tranche*);

“**Subsidiary**” has the meaning given in the Companies Act;

“**Surviving Provisions**” has the meaning given in Clause 15.2(b);

“**Tag Along Notice**” has the meaning given in Clause 12.5(c);

“**Tag Along Shares**” has the meaning given in Clause 12.5(c);

“**Tag Right**” has the meaning given in Clause 12.5(a);

“**Tag Period**” has the meaning given in Clause 12.5(c);

“**Target Exit Price**” shall mean, subject to applicable laws, a minimum of 22% (Twenty two percent) IRR or 2.5x (Two and a half times) money multiple of the Consideration, whichever is higher;

“**Tax**” or “**Taxation**” has the meaning given in the Share Subscription Agreement;



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“Third Party” means any Person other than the Shareholders, their Affiliates and the Group Companies;

“Third Party Purchaser” has the meaning given in Clause 12.5(a);

“Trade Sale” means (i) an acquisition of the Company (including by means of a merger or other form of corporate reorganization) by a Third Party pursuant to which all or a majority of the Shares of the Company (including all the Shares held by the Investor and its Affiliates) are purchased by a Third Party, or (ii) an acquisition of all or substantially all of the business and assets of the Company and/or the Group Companies (including by means of a merger or other form of corporate reorganization) followed by a distribution in cash of the proceeds of such acquisition to the Shareholders;

“Transfer” means to transfer, sell, convey, assign, pledge, hypothecate, create a security interest in or Encumbrance on, place in trust (voting or otherwise), transfer by operation of law or in any other way subject to any encumbrance or dispose of, whether or not voluntarily, and “Transferring” and “Transferred” have corresponding meanings;

“Transferring Party” has the meaning given in Clause 12.5(a);

“Valuer” shall be any of the Big 5 Accounting firms (ie. Deloitte Touche Tohmatsu Limited, PricewaterhouseCoopers, Ernst & Young, KPMG or Grant Thornton);

“Valuation Notice” has the meaning give in Clause 16.3(e);

“Winding Up” means the winding-up, dissolution, liquidation, or any other analogous procedure or step of the Company.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- (a) The expression “in the agreed terms” or “agreed form” means in the form agreed among the Parties and signed for the purposes of identification by or on behalf of each of the Parties.
- (b) References to “include” or “including” are to be construed without limitation.
- (c) References to a “company” include any company, corporation or other body corporate wherever and however incorporated or established.
- (d) The expression “body corporate” shall have the meaning given in the Companies Act.
- (e) A Party or any other Person includes its successors in title, permitted assigns and permitted transferees.
- (f) The table of contents and headings are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.
- (g) Words in the singular include the plural and vice versa, and a reference to any gender includes all other genders.



- (h) References to Recitals, Clauses, Appendices, Annexures, Paragraphs, Preamble and Schedules are to recitals, appendices and annexures to, and clauses, paragraphs, preamble and schedules of this Agreement, all of which form part of this Agreement.
- (i) References to any statute or statutory provision include a reference to that statute or statutory provision as amended, consolidated or replaced from time to time (whether before or after the date of this Agreement) and include any subordinate legislation made under the relevant statute or statutory provision.
- (j) References to Shares held by the Investor, includes a reference to the aggregate of all Shares then held by (i) the Investor; and (ii) each of the Affiliates of the Investor.
- (k) In calculations of the number of Shares, (i) references to a "fully diluted basis" mean that the calculation should be made assuming that all outstanding options, warrants, debentures, preference shares and other securities convertible into or exercisable or exchangeable for Equity Shares (whether or not by their term then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged, and (ii) references to a "non-diluted basis" mean that the calculation should be made taking into account only Equity Shares then in issue.
- (l) Any payments to be made by a Party pursuant to the provisions of this Agreement to any other Party, must be in immediately available cleared funds.
- (m) All approvals and/or consents to be granted by the Parties under this Agreement shall be deemed to mean approvals and/or consents in writing.
- (n) The terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement and not to any particular clause, article or section of this Agreement.
- (o) 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.

2. EFFECTIVENESS AND INTENT OF THIS AGREEMENT

- 2.1 This Agreement shall come into effect on the Effective Date.
- 2.2 Each of the Investor and the Sponsors covenant and agree that they shall (i) exercise voting rights over any Shares respectively owned by them; and (ii) cause the Company to exercising voting rights over Shares held by it (and exercise its powers) in the Group Companies to give effect to the terms and conditions of this Agreement.
- 2.3 In the event of any conflict between the provisions of this Agreement and the Articles of Association or the articles of association of the Group Companies, the provisions of this Agreement shall govern and prevail. Each of the Investor, the Company (in respect of the Group Companies) and the Sponsors agree to vote any Shares respectively owned by them so as to cause the Articles of Association and/or the articles of association of the Group Companies, to be amended, to the fullest extent permitted by applicable law to resolve any such conflict in favour of the provisions of this Agreement.

3. THE BUSINESS



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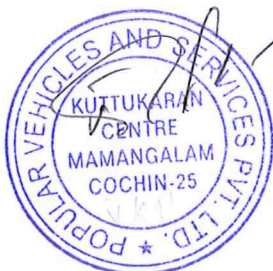
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3.1 Nature of Business

- (a) The Parties agree, and each of the Sponsors and the Company shall procure, that the business of the Company and the Group Companies shall be to undertake the Dealership Business in India (collectively referred to as the "Business"), in each case in a manner which compliant with applicable laws (including Indian foreign exchange laws).
- (b) Each of the Sponsors agrees that the Business of the Company and the Group Companies shall be conducted in accordance with the provisions of this Agreement and each of the Sponsors agrees to exercise its respective rights as a Shareholder in the Company to ensure that the Company (and each Group Company) complies in all respects with its respective memorandum of association and articles of association and all applicable laws.
- (c) Each of the Sponsors agrees that it shall (i) comply in all respects with, and (ii) exercise its respective rights as a Shareholder in the Company to ensure that the Company (and each Group Company) complies in all respects with, the terms of the Transaction Documents.

3.2 Ability of the Sponsors to Engage in Other Businesses

- (a) The Sponsors covenant and agree that they shall not, and shall procure that none of their Affiliates shall, during the Restricted Period, engage in any Restricted Activities in India without the prior written consent of the Investor. The Sponsors and the Company covenant and agree to in the first instance intimate and discuss in good faith with the Investor any new business opportunity which arises, or which the Sponsors or the Company become aware of, in relation to a new motor vehicles dealership or servicing of motor vehicles such that such new business opportunity can be undertaken by the Company or any Group Company. If, pursuant to such discussions with the Investor, the Parties agree not to pursue such new business opportunity with the Company or any Group Company, the provisions of this Clause 3.2 shall not restrict the ability of the Sponsors to carry on such new business opportunity either directly themselves or through any of their Affiliates (other than the Company and the Group Companies). In addition, the Sponsors also covenant and undertake to:
 - (i) devote a substantial portion of their time to the operations and functioning of the Business of the Popular Group;
 - (ii) shall not engage in any other business which competes with the business of the Company and the Group Companies;
 - (iii) shall not solicit clients/ customers of the Company and/or the Group Companies except on behalf of the Company and/or the Group Companies;
 - (iv) at all times work in the best interests of the Popular Group, including by transacting the Business only through the Popular Group, and not do any act, deed or thing that may defeat this responsibility; and
 - (v) not do any act, deed or thing that restricts or disables the Investor from enforcing its respective rights.



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- (b) the Sponsors shall procure that the Company shall, during the term of this Agreement continue to carry on its present business and shall not make any material change in or extend its business or diversify into new areas of business without the prior written consent of the Investor.
- (c) The Sponsors agree that all existing/new businesses allied with the existing business of the Company will be consolidated under the business of the Company. The Sponsors undertake to seek prior consent of the Investor on the legal/corporate structure of such existing/new businesses.
- (d) The undertakings in Clause 3.2(a) are given by the Sponsors to the Investor and to the Company and applies to actions carried out by the Sponsors in any capacity and whether directly or indirectly on their behalf, on behalf of any other Person or jointly with any other Person.
- (e) Each of the covenants in Clause 3.2(a) is considered fair and reasonable by the Sponsors and is agreed by the Sponsors to be necessary for the protection of the Investor, the Company and the goodwill of the Company.
- (f) Each Sponsor covenants that (i) by entering into the covenants of non-competition contained in this Agreement, the livelihood of the Sponsors and their Affiliates is not impaired; and (ii) they have agreed to the covenants in this Clause 3.2 in consideration of the investment made in the Company and its goodwill by the Investor.
- (g) If any of the restrictions contained in this Clause 3.2 is found to be unenforceable but would be valid if any part of it were deleted or the period or area of application amended, the restriction shall apply with such minimal modifications as may be necessary to make it valid and effective.
- (h) References to "Group" and "Group Companies" in (i) this Clause 3.2; and (ii) the definition of "Restricted Activities" in Clause 1.1 (Definitions), shall mean a reference to the Popular Group.

4. USE OF PROCEEDS

The Consideration received from the Investor shall be utilised solely for (i) setting up new automobile showrooms, workshops, body shops service centres, (ii) acquisition of entities engaged in a business similar to the Dealership Business, and/ or the working capital and growth requirements of the Group Companies (in each case, based on the Annual Business Plan and Budget).

5. TERMS OF THE SHARES

5.1 Each CCD shall have such rights as set forth in Schedule 3 (*Terms and Conditions of the Investor Securities*) of this Agreement. The conversion of the CCDs shall be in accordance with the terms set out in Schedule 3 (*Terms and Conditions of the Investor Securities*).

5.2 Notwithstanding anything stated in this Agreement, including anything in Schedule 3 (*Terms and Conditions of the Investor Securities*):

- (a) the conversion of the CCDs shall not result in the Investor holding Shares equivalent



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to more than 40% (Forty percent) of the total issued and paid-up equity share capital of the Company on a fully diluted basis ("Shareholding Cap"); and

- (b) in the event that the Investor's shareholding in the Company (on a fully diluted basis) is proposed to exceed the Shareholding Cap ("Excess Event"), within 21 (Twenty one) business days from 30 June 2017, the Investor will inform the Sponsors in the event of there being a possibility of the Investor's shareholding exceeding the Shareholding Cap. The Sponsors shall have the right to jointly and/or severally call the Excess Investor Shares at a price which results in the Investor receiving such amount of the consideration from the Sponsors such that such sale proceeds confer at least the Investment FMV ("Sponsor Call Option"). The Transfer of Excess Investor Shares pursuant to exercise of the Sponsor Call Option shall take place on or before 31 December 2017. In the event such price would not be compliant with the extant Indian foreign exchange control laws, the Parties shall, in good faith, work towards achieving this commercial understanding through one or more permissible structures.

5.3 For the avoidance of doubt, it is clarified that at no point shall the Investor hold more than 49% (forty nine percent) of the total issued and paid-up equity share capital of the Company.

6. **SUBSEQUENT INVESTMENT TRANCHE**

The Sponsors, the Company and the Investor may mutually discuss and agree terms and conditions for any subsequent tranche of investment in the Company by the Investor ("Subsequent Investment Tranche"). For the avoidance of doubt, the Investor shall only invest the USD equivalent of INR 250,000,000 (Indian Rupees two hundred and fifty million) in the Subsequent Investment Tranche.

7. **DIRECTORS AND MANAGEMENT**

7.1 **Management**

The Board and the board of directors of each of the Group Companies shall have responsibility for the supervision and management of the Company and the Group Companies respectively, save in respect of those matters which are specifically reserved for Shareholders under applicable law, under the Articles of Association or under the terms of this Agreement.

7.2 **Composition of Board of Directors**

- (a) The maximum number of Directors in the Company shall be 6 (six) of whom:
- (i) 1 (one) director shall be nominated for appointment by the Investor (each such director an "Investor Director"); and
 - (ii) the remainder of the Directors shall be nominated for appointment by the Sponsors.
- (b) The Shareholders shall procure that the Board is reconstituted in accordance with the provisions of this Clause 7. None of the Directors of the Company appointed pursuant to Clause 7.2(a) shall be liable to retire by rotation.



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- (c) In addition to the appointment of Investor Directors, the Investor shall be entitled to appoint 1 (one) observer on the Board. Such observer shall be entitled to (i) participate in all meetings of the Board and its committees to the same extent to which an Investor Director would be entitled, and (ii) receive all notices and communications to which an Investor Director would be entitled. For the avoidance of doubt, such observer shall not be entitled to vote at the meetings of the Board and its committees.

7.3 Remuneration of Directors

- (a) Other than the remuneration permitted to be paid to the Sponsors who are Directors (within the limits prescribed under the Companies Act, 2013) and to Maniyara Abraham Sajjan, the Directors shall not be entitled to any remuneration in their capacity as directors of the Company.
- (b) The Directors shall be indemnified by the Company against any losses incurred by the Directors for, or in relation to any activities of the Company.
- (c) The Company shall procure directors' and officers' liability insurance on behalf of its Directors as may be determined satisfactory by the Investor.
- (d) All reasonable travel and hotel expenses incurred by the Investor Directors and/or observer appointed by the Investor in relation to attending meetings of the Board and its committees shall be reimbursed by the Company to the relevant Investor Directors and observer.
- (e) All legal expenses based on invoices provided by the Investor Director for cases related to the Company shall be borne by the Company and shall be paid on an immediate basis.

7.4 Alternate Directors

- (a) The Investor shall be entitled to nominate, through each of the Directors which it has nominated, an alternate Director to act in accordance with the Companies Act for that Director. Prior to such nomination, the Investor Director must give at least 14 (fourteen) days' notice to the Company. The Shareholders shall cause the Board to appoint any alternate Director so nominated.
- (b) An alternate appointed pursuant to Clause 7.4(a) shall be entitled to receive notice of all meetings of the Board and attend and vote at any meeting at which the Director for whom he or she is the alternate is not personally present, and generally in the absence of such Director to do all the things which such Director is authorised or empowered to do. An alternate Director shall be entitled, in the absence of the Director for whom he or she is the alternate:
- (i) to a separate vote on behalf of the Director for whom he or she is the alternate; and
- (ii) to be counted as part of the quorum of the Board on behalf of the Director for whom he or she is the alternate.

7.5 Removal and Replacement of Directors



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- (a) The Sponsors shall ensure that the Investor Directors are promptly appointed to the relevant board of directors.
- (b) The Investor may, at any time and as often as it may require, by written notice to the Company (i) require the removal of any Investor Director / his or her alternate Director and shall be entitled to nominate another person in place of the Investor Director / the alternate Director so removed, and (ii) in the event of the resignation, retirement or vacation of office by any Investor Director / the alternate Director, nominate another person in place of such Investor Director / the alternate Director. To give effect to the removal or appointment of such Director, all the Shareholders shall exercise to the fullest extent all rights and powers available to them (including by convening a general meeting of Shareholders and exercising their voting rights at meetings of the relevant board of directors and at general meetings of Shareholders) to remove or appoint such Director.

7.6 Governance of Group Companies

- (a) The Parties agree that, except as specified in Clause 7.6(b), the right to appoint and replace directors, quorum and voting arrangements and other rights and procedures with respect to the boards of directors of each Group Company (other than the Company), as well as other management and corporate governance matters of each Group Company (other than the Company), shall mirror those set forth herein in respect of the Company.
- (b) If required by the Investor, the Company will appoint 1 (one) Person nominated for appointment by the Investor on the board of directors of each Group Company.
- (c) None of the directors of the Group Companies appointed pursuant to Clause 7.6(b) shall be liable to retire by rotation.

7.7 Board Meetings

- (a) Meetings of the Board shall be properly convened and held at such times and places as may be determined by the Board from time to time (provided that the Board shall meet at least once in every Quarter). Any Director may request that a meeting of the Board be convened.
- (b) No meeting of the Board (including, but not limited to a meeting in which a Protective Matter is proposed to be discussed) shall be convened on less than 15 (fifteen) days' notice without the consent of 1 (one) Sponsor/ 1 (one) nominee of a Sponsor and 1 (one) Investor Director.
- (c) Each notice of meeting of the Board must contain a detailed agenda of items (and all other relevant documentation) proposed to be considered at the meeting of the Board. The business conducted at any meeting of the Board shall only comprise those matters expressly stated in the notice convening such meeting unless otherwise agreed by 1 (one) Sponsor/ 1 (one) nominee of a Sponsor and 1 (one) Investor Director.
- (d) Subject to the provisions of Clause 7.7(e), the valid quorum for any meeting of the Board shall be at least 2 (two) Directors or one-third of the then sanctioned strength of the Board, whichever is higher, comprising at least 1 (one) Sponsor/ 1 (one)



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nominee of a Sponsor and 1 (one) Investor Director, unless specifically waived in writing by a Sponsor or an Investor Director (as applicable), and where specifically waived by an Investor Director, the Board obtains the written consent of such Investor Director. Such quorum would have to be maintained continuously throughout such meeting of the Board. For the avoidance of doubt, no Protective Matter shall be discussed or decided upon by the Board at any meeting unless the Investor Director is present at such meeting of the Board.

- (e) If at least 1 (one) Investor Director is not present within 1 (one) hour of the time appointed for a meeting or ceases to be present at any time during the meeting, the meeting shall stand adjourned to the same place and time 7 (seven) days after the original date set for such meeting of the Board. If at the adjourned meeting, at least 1 (one) Investor Director is not present within 1 (one) hour of the time appointed for the meeting, the Directors present shall constitute a quorum and all matters (except Protective Matters, unless consented to in writing by the Investor) may be resolved during such further adjourned meeting, provided the notice of such meeting was issued in accordance with Clauses 7.7(b) and 7.7(c). For the avoidance of doubt, the agenda of the adjourned meeting shall remain unchanged and shall be limited to only those matters expressly stated in the notice convening the original meeting (and shall not include a Protective Matter) unless otherwise agreed by 1 (one) Investor Director.
- (f) In the event that it is so permitted by applicable laws, any Director may participate in a Board meeting by means of a telephone or video conference by means of which all persons participating in the meeting can hear each other throughout the duration of the meeting, and participation in such Board meeting by such means shall constitute attendance for the purposes of quorum and presence in person at the meeting of the Director so participating.
- (g) Minutes of each meeting of the Board shall be provided to the Investor within 15 (fifteen) days from the date of such meeting of the Board.

7.8 Role of the Investor Directors / Non-Executive Directors

Unless otherwise required by the Companies Act,

- (a) The Parties expressly agree that the Investor Directors shall be non-executive Directors.
- (b) The Sponsors and the Company expressly agree and undertake that the Investor Directors and any other non-executive Directors (including for the avoidance of doubt, Directors who are not in the whole time or part time employment of the Group Companies) (together, the "Non-Executive Directors") shall not be in charge of, or responsible for the day to day management of the Company and shall not be deemed to be or considered or identified as the "responsible officer", the "authorised officer", the "compliance officer", the "officer having knowledge", the "officer in charge", "officer in default" or "an employer of the employees" for the purposes of various statutory and regulatory compliances and applicable laws, including any compliances under labour law, environmental laws and the Companies Act, and shall accordingly not be liable for any default or failure of the Company in complying with the provisions of any applicable laws.



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- (c) Further, the Sponsors and the Company undertake to endeavour that the other Directors or suitable persons are nominated as the "responsible officer", the "authorised officer", the "compliance officer", the "officer having knowledge", the "officer in charge", "officer in default" or "an employer of the employees" for the purposes of various statutory and regulatory compliances and applicable laws, including any compliances under labour law, environmental laws and the Companies Act, failing which all the Directors nominated for appointment by the Sponsors shall be considered as the "responsible officer", the "authorised officer", the "compliance officer", the "officer having knowledge", the "officer in charge", "officer in default" or "an employer of the employees" for the purposes of various statutory and regulatory compliances and applicable laws.

7.9 Chairman

The Chairman shall be elected by the Board from one of the Directors nominated for appointment by the Sponsors. The Chairman at the Effective Date will be Sponsor 1. The Chairman shall not have a second or casting vote.

7.10 Committees of the Board

- (a) The Board shall have the power to constitute, if necessary, committees or sub committees of the Board and delegate such of the Board's powers to such committees as the Board may deem fit.
- (b) At least 1 (one) Investor Director shall always be a member of each committee or sub-committee constituted by the Board.
- (c) Unless agreed in writing by the Parties or otherwise permitted under this Agreement, all provisions of this Agreement relating to the Board and its meetings shall be applicable to the committees mentioned in this Clause 7.10 and the meetings thereof.

8. **SHAREHOLDER MEETINGS**

8.1 Meetings

- (a) Meetings of the Shareholders shall be in accordance with the Companies Act and the Articles and shall be held at the registered office of the Company during normal business hours. The Board shall provide the Company's previous Financial Year's audited financial statements to all Shareholders at least 1 (one) month before the annual general meeting is held to approve and adopt the audited financial statements.
- (b) No meeting of the Shareholders shall be convened on less than 21 (twenty one) days' notice, provided that meetings of the Shareholders may be convened at shorter notice in accordance with the provisions of the Companies Act and the Articles.
- (c) Each notice of meeting of the Shareholders must contain a detailed agenda of items (and all other relevant documentation) proposed to be considered at the meeting of the Shareholders. The business conducted at any meeting of the Shareholders shall only comprise those matters expressly stated in the notice convening such meeting



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unless otherwise agreed in writing by the Investor.

- (d) In order to constitute a valid quorum at any meeting of the Shareholders, 1 (one) Sponsor/ 1 (one) nominee of a Sponsor and 1 (one) duly authorised representative of the Investor will be required to be present.
- (e) If at least 1 (one) Sponsor/ 1 (one) nominee of a Sponsor and 1 (one) duly authorised representative of the Investor is not present within 1 (one) hour of the time appointed for a meeting or ceases to be present at any time during the meeting, the meeting shall stand adjourned to the same place and time 7 (seven) days after the original date set for such meeting of the Shareholders. If at the adjourned meeting, at least 1 (one) Sponsor/ 1 (one) nominee of a Sponsor and 1 (one) duly authorised representative of the Investor is not present within 1 (one) hour of the time appointed for the meeting, the Shareholders present shall constitute a quorum and all matters (except Protective Matters, unless consented to in writing by the Investor) may be resolved during such further adjourned meeting, provided the notice of such meeting was issued in accordance with Clauses 7.7(b) and 7.7(c). For the avoidance of doubt, the agenda of the adjourned meeting shall remain unchanged and shall be limited to only those matters expressly stated in the notice convening the original meeting unless otherwise agreed by a duly authorised representative of the Investor.

8.2 Chairman

The Chairman of the Board shall be the chairman of meetings of the Shareholders. In the event the Chairman is absent or fails to serve as a presiding officer at any meeting of the Shareholders, any one of the Directors shall be elected to preside in his or her place. The Chairman shall not have a casting vote.

9. **BOARD AND SHAREHOLDERS' VOTING**

9.1 Investor's Protective Rights

- (a) Voting on a fully diluted basis: Without prejudice to any other provisions in this Agreement, the Investor shall be entitled to exercise its voting rights at any meeting of the Shareholders of the Company on a fully diluted basis. Each of the Company and the Sponsors acknowledge that the Investor has agreed to subscribe to the CCDs on the basis that it would be able to exercise voting rights on the CCDs on an as-converted basis. Each CCD shall entitle the holder to the number of votes equal to the number of whole or fractional Equity Shares into which such CCD could then be converted. To this effect, each of the Sponsors agrees that, if applicable law does not permit the holders of CCDs to exercise voting rights on all shareholder matters submitted to the vote of the Shareholders (including the holders of Equity Shares), then until the conversion of all of the CCDs into Equity Shares, each Sponsor shall vote in accordance with the instructions of the holders of CCDs at a general meeting or provide proxies without instructions to the holders of CCDs for the purposes of a general meeting, in respect of such number of Equity Shares held by each of them such that the Relevant Proportion of the Equity Shares of the Company are voted on in the manner required by holders of the CCDs.
- (b) Protective Rights of the Investor: All matters in respect of the Company or a Group



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Company; (i) required to be passed by a special resolution of shareholders under the Companies Act; and (ii) listed at Schedule 5 (*Protective Matters*), (collectively, "**Protective Matters**") will require the unanimous consent (whether a Director is physically present and voting at such meeting, or provides a written consent for such Protective Matter) of all Directors of the Company and the written consent of at least 75% (Seventy five percent) shareholders of the Company on a fully diluted basis which consent must always include the written consent of the Investor.

- (c) Manner of approving Protective Matters: Each of the Sponsors and the Investor shall be entitled to grant or refuse their consent (whether in a meeting of the Shareholders or otherwise) in respect of any Protective Matter, at their sole and absolute discretion. Approval or refusal in respect of a Protective Matter may be granted in person or in writing. In the event that the Company and/or the Sponsors are of the opinion that a decision on a Protective Matter is detrimental to the Business and is likely to cause serious damage or Loss in the long term and adequate discussion has not occurred on any such decision, such Protective Matter may be discussed in another meeting of the Board or the Shareholders (as applicable) for a second consideration ("**Second Meeting**"). The decision of the Investor in respect of such Protective Matter shall stand final and the Company shall carry out its business and operations in accordance with such decision(s) and to the extent permitted pursuant to such decision(s).
- (d) Committee not to decide Protective Matters: No Protective Matter may be delegated to a committee of the Board without the prior written consent of the Investor. No existing committee of the Board, and no committee of the Board which may be constituted or re-constituted, shall hear, discuss or decide upon any Protective Matter.

10. INFORMATION RIGHTS

10.1 Accounts and MIS Reports

The Company and the Group Companies shall (and the Sponsors and the Company shall procure that each Group Company shall), prepares and delivers to the Investor and each Investor Director the information set out in Schedule 6 (*Information Rights*), including MIS Reports.

10.2 Sponsors' Representations

Each time information is made available to the Investor and/ or the Valuer (as the case may be) pursuant to this Agreement, the Sponsors will be deemed to have provided the following representations and warranties to the Investor:

- (a) the accounts of the Company and the Group Companies have been duly prepared in accordance with Indian GAAP; and
- (b) revenue calculations have not been artificially adjusted, manipulated or extrapolated in any manner whatsoever.

10.3 Other Information

The Company and each Group Company shall furnish or cause to be furnished to the



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Investor (and the Sponsors and the Company shall procure that the Company and the relevant Group Company shall furnish or cause to be furnished to the Investor), promptly upon request of the Investor such further information about the business, financial conditions, operations, results and prospects of the Company and any of the Group Companies.

10.4 Annual Budget

The Company shall prepare a proposed Annual Business Plan and Budget, which shall be submitted to the Investor / Investor Directors not less than 1 (one) month prior to the commencement of each Financial Year. Subject to the Investor being satisfied with the proposed Annual Business Plan and Budget, the Board shall adopt the Annual Business Plan and Budget prior to the commencement of the relevant Financial Year. The Company and each Group Company shall operate and conduct its affairs in accordance with the Annual Business Plan and Budget.

10.5 Inspection

Each of the Sponsors and the Company shall procure that upon the Investor giving the Company and the relevant Group Company prior notice, the Investor and its representatives may, during normal business days and hours, (a) inspect and examine and take copies of the Books and Records and accounts kept by the Company and each Group Company, (b) access the premises of the Company and the Group Companies, and (c) consult with and interview senior management personnel and other members of the management team of the Company and the Group Companies.

11. **COVENANTS**

11.1 The Company and the Group Companies shall, and the Sponsors shall cause the Company and the Group Companies to:

- (a) comply with all applicable laws to which each may be subject; and
- (b) comply with the covenants set out in this Clause 11 and in Schedule 4 (*Company Covenants*).

11.2 The Company and the Group Companies shall, and the Sponsors shall cause the Company and the Group Companies to obtain promptly, comply with and do all that is necessary to maintain in full force and effect, and, upon request, supply certified copies to the Investor of any Authorisation required to:

- (a) enable it to perform its obligations under the Transaction Documents;
- (b) ensure the legality, validity, enforceability or admissibility in evidence in any relevant jurisdiction of the Transaction Documents; and
- (c) carry on its Business.

11.3 The Company and the Sponsors undertake that (a) they shall not enter into, and shall procure that neither the Company and any Group Company nor the Shareholders enter into, any agreements / arrangements (whether written or oral or whether moral, tacit or otherwise) with the other Shareholders of the Company in connection with any matter



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linked with investments in and/or exits from the Company, unless the prior written approval of the Investor has been specifically obtained, and (b) they shall on an on-going basis, disclose any and all agreements and/or arrangements (whether written or oral or whether moral, tacit or otherwise), entered into with any Shareholder.

- 11.4 The Sponsors undertake that the Demerger and/ or the Restructuring shall not have any financial impact on the Company or the valuation of the Company undertaken by the Investor (a) in order to arrive at the Consideration, and (b) in order to calculate the FMV under this Agreement.
- 11.5 The Company shall pay Restructuring Costs to the extent of INR 25,000,000/- (Indian Rupees twenty five million), and any related costs over this amount shall be borne by the Sponsors.
- 11.6 The Sponsors shall, to the extent permitted by, and within the restrictions of applicable laws, promptly upon the request of the Investor supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Investor (for itself or on behalf of any prospective transferee or assignee) in order for the Investor or any prospective transferee or assignee to carry out and be satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws pursuant to the transactions contemplated in the Transaction Document
- 11.7 The Sponsors acknowledge the Investor will only be minority financial investors and will not acquire control and management of the Company. The Sponsors shall retain the management and control of the Company. The Company and the Sponsors shall take all necessary actions required and available under applicable laws in order that the Investor shall not be considered or classified to be the 'promoters' of the Company under applicable laws for any reason whatsoever, other than as prescribed under applicable laws.
- 11.8 The Sponsors undertake to do and cause the Company to do all acts necessary to effectuate the transactions contemplated in the Transaction Documents and to comply with their respective obligations under any Transaction Document.
- 11.9 The Sponsors agree to appoint such external consultants to the Company on its cost, on the request of the Investor, to drive operational, financial and other improvements in the Company and the Group Companies. The Sponsors agree that such appointment shall not be unreasonably withheld
- 11.10 Each of the Sponsors undertake to the Investor that each of their obligations under this Agreement shall be joint and several.

12. **TRANSFER AND ADDITIONAL ISSUANCE OF SHARES**

12.1 Transfers by the Shareholders; General Restrictions

- (a) Deed of Adherence: If a Shareholder wishes to Transfer any Shares (which Transfer shall also be subject to the other applicable provisions of this Agreement, including Clause 12.2(a)), it shall, as a condition of the Transfer, cause the transferee to execute a Deed of Adherence confirming that the transferee shall be bound by this Agreement and the other Transaction Documents to the same extent as the transferring Shareholder in respect of the Shares transferred to that transferee. If such transferee is a Relative and is a minor or a trust or otherwise lacks legal capacity to enter into agreements under applicable law, the transferring



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Shareholder shall, as a condition of the Transfer, procure that the Deed of Adherence is executed in compliance with applicable law (including any requirement that the Deed of Adherence be executed by a minor transferee's parents or court-appointed guardian, or by the trustee in case of a trust) such that the Deed of Adherence and the Transaction Documents will constitute valid and binding obligations of such transferee, enforceable against such transferee in accordance with their terms.

- (b) Nullification of Contravening Share Transfers: Any attempted Transfer made by any Shareholder in violation of this Agreement shall be null and void *ab initio*. Neither the Board nor the Shareholders shall approve or ratify any Transfer made in contravention of the restrictions contained in this Clause 12 or elsewhere in the Agreement and the Company shall (i) not record any such erroneous Transfer on the statutory registers of the Company maintained for the Shares, (ii) reject and reverse such erroneous Transfer made or attempted without necessity of a Board decision and (iii) may institute proceedings for this purpose. Subject to the foregoing, the Company shall not have the power to refuse registration of a Transfer which is in compliance with the provisions of this Agreement.
- (c) Share Transfers in Group Companies (other than the Company): The Company and the Sponsors shall not, and shall procure that none of the shareholders of the other Group Companies, Transfer any share of such Group Companies without the prior written consent of the Investor. For the avoidance of doubt, the provisions of Clauses 12.1(a) and 12.1(b) apply *mutatis mutandis* with respect to Transfer of shares of the Group by the Company.
- (d) Notification of Transfers by the Company: Within 7 (seven) days of registering any Transfer of Shares / shares in its appropriate registers / records of the Company or the Group Companies, the Company shall send a notice to each Shareholder stating that such Transfer has been completed and setting forth the name of the transferor, the name of the transferee and the number of Shares / shares Transferred.

12.2 Transfers by the Sponsors

- (a) Investor Consent Required for Share Transfers: Subject to Clause 12.2(b), without the prior written consent of the Investor, the Sponsors shall not, directly or indirectly, Transfer any of their Shares.
- (b) Exempted Share Transfer: The Sponsors shall be entitled to freely Transfer their Shares *inter-se* between the Sponsors without the prior written consent of the Investor and subject to providing to the Investor (i) 15 (fifteen) days prior written notice of such Transfer, and (ii) an executed copy of a Deed of Adherence to the Investor ("Exempted Transfer"). Any Shareholder shall be entitled to freely Transfer their Shares to the Sponsors.
- (c) Sponsor Liability to Continue: Notwithstanding any Exempted Transfer, the Sponsors shall continue to remain liable to perform all of their duties and obligations under the Transaction Documents and shall ensure that the transferees of Shares comply with the terms of the Transaction Documents.
- (d) Exemption does not apply to Shares of Group Companies: For avoidance of doubt,



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the ability of the Sponsors to carry out a Transfer pursuant to Clause (b) shall be limited only to the Shares of the Company and shall not extend to the shares held by them in the other Group Companies. The Transfer of any Shares in a Group Company shall be subject to the provisions of Clause 12.1(c).

- (e) Evidence of Control: The Sponsors shall from time to time, at the request of the Investor, provide reasonable written evidence of their legal and beneficial shareholding and control over a Sponsor Controlled Entity which hold any Shares.
- (f) Tag Along does not apply to an Exempted Transfer: Notwithstanding any other provision of this Agreement, the provisions of Clause 12.5 (*Tag Along Rights*) shall not apply to any Exempted Transfer.
- (g) No indirect Transfers by the Sponsors: Each of the Sponsors covenant and agree that it and any of its Affiliates holding any shares or voting interests in the Company or any Group Company shall not directly or indirectly Transfer any of the shares or voting interests owned by it to any Person or create any Encumbrance over the Shares or voting rights owned by it, except as expressly required or permitted under this Agreement. The Sponsors agree that the Transfer restrictions on them in this Agreement and/or the Articles of Association shall not be avoided by the holding of Shares / shares in any Person that can itself be sold in order to dispose of an interest in Shares free of such restrictions. Any Transfer, issuance or other disposal of any shares (or other interests) of a Person Controlled by a Sponsor(s) which holds, directly or indirectly, any shares in the Company or any Group Company shall be treated as being a Transfer of the shares held by a Sponsor and the provisions of this Agreement that apply in respect of the Transfer of Shares by a Sponsor shall apply in this respect.

12.3 Transfers by the Investor

- (a) Free Transfers: Subject to Clause 12.3(b), the Investor shall be permitted to freely Transfer all or some of the Shares owned by it at any point in time, subject to the transferee of such shares executing a deed of adherence in the agreed form.
- (b) Restricted Transfers: The Investor shall obtain the written consent of Sponsors prior to Transfer of the Shares owned by the Investor to any Investor Restricted Party. However, in the event of an issuance of a Default Notice in accordance with Clause 16 (*Event of Default*), the restriction contained in this Clause 12.3(b) shall not apply.
- (c) Assistance with a Transfer of Shares by the Investor: In the event of any proposed Transfer of Shares by the Investor pursuant to any of the provisions of this Agreement, the prospective Third Party purchaser shall have the right to conduct legal, financial, technical, environmental and tax due diligence on the Company or the Group Companies and to interact with the Sponsors, the directors, the management team and the senior employees of the Company or the Group Companies for the purpose of evaluating the proposed Transfer of Shares. The Sponsors and the Company hereby consent to such right and shall provide all necessary assistance in this regard to assist in the completion of such evaluation and in the proposed Transfer of Shares. The Investor shall be entitled to divulge Confidential Information in respect of the Company or the Group Companies to such prospective Third Party purchaser (not being an Investor Restricted Party) for the



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purpose of enabling such prospective Third Party purchaser to evaluate the proposed Transfer of Shares, which shall not be deemed to be a breach of the confidentiality obligations of the Investor under this Agreement, provided that the prospective Third Party purchaser has entered into a confidentiality and non-disclosure agreement in form and substance consistent with standard business practices.

- (d) Customary Warranties: The Company and the Sponsors shall provide such representations, warranties and indemnities and undertake such covenants as may be reasonably required by the prospective Third Party purchaser in the event of any proposed Transfer of Shares by the Investor pursuant to any of the provisions of this Agreement. The Third Party purchaser shall be deemed to be acting reasonably if the representations, warranties, indemnities and covenants required by it are no more onerous than those contained in the Transaction Documents (subject to any indemnification amounts not exceeding the amounts invested by the Third Party purchaser).
- (e) No Third Party to have higher rights than those granted to the Investor: It is clarified that all the rights of the Investor under this Agreement shall extend to their respective Affiliates and/or their Third Party transferees who hold any Shares at any point in time during the subsistence of this Agreement. However, none of such Affiliates / Third Party transferees shall be entitled to any higher or additional rights than those granted to the Investor under this Agreement.

12.4 Approval of Sale Transactions; Extension of Time Limits

If any approval of a Governmental Authority is, in the reasonable opinion of the Investor, required for a Transfer of Shares under this Agreement, the Company and the Sponsors shall immediately make an application thereof and shall take in good faith all such reasonable actions as may be necessary or desirable to obtain such approval and the Parties shall act in good faith and provide the necessary cooperation to obtain such approval in an expeditious manner. The time taken for obtaining such approvals shall be excluded from the time limits or periods set out for the Transfer of the Shares under this Agreement.

12.5 Tag Along Rights

- (a) In the event that a Sponsor proposes to Transfer its Shares otherwise than by an Exempted Transfer (such Shareholder, the "Transferring Party") to a Third Party buyer ("Third Party Purchaser"), the Investor shall have a right, at its sole option and discretion, to require its Shares in the Company be Transferred along with the Shares of the Transferring Party in the manner set out in this Clause 12.5 ("Tag Right"). The Investor's Tag Right under this Clause 12.5 shall be exercised as under.
- (b) Issuance of an Sale Notice: The Transferring Party shall give notice ("Sale Notice") to the Investor specifying (i) the number of Shares that are proposed to be transferred to a Third Party, (ii) the name of the Third Party proposing to purchase the Sale Shares ("Third Party Purchaser"), (iii) the price per Sale Share, (iv) all terms and conditions pursuant to which the Sales Shares are proposed to be sold to the Third Party; and (v) a confirmation that there is no other consideration or benefit offered to the Transferring Party which has not been disclosed to the Investor.



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- (c) Tag Notice: For a period of 30 (thirty) days after delivery of the Sale Notice ("Tag Period"), the Investor shall have the right to exercise the Tag Right by delivering a written notice ("Tag Along Notice") to the Transferring Party. The Tag Along Notice shall specify the number of Shares held by the Investor that are required to be Transferred to the Third Party Purchaser, ("Tag Along Shares"). The number of Tag Along Shares shall be equal to: (i) the Investor's Relevant Proportion of the Shares proposed to be sold to the Third Party Purchaser ("Sale Shares") (e.g. if (A) the Investor's shareholding percentage on a fully diluted basis is 30% (Thirty percent) and that of the Transferring Party is 70% (Seventy percent), and (B) the number of Sale Shares is 35 (thirty five) Equity Shares, then the Relevant Proportion would be $30 / 70$ and the number of Equity Shares the Investor would be entitled to transfer is $(30 / 70) * 35 = 15$ (fifteen) Equity Shares), or (ii) if pursuant to Transfer of Shares by the Transferring Party, the Sponsors' shareholding in the Company would fall below 51% (Fifty one percent) of the total issued and paid-up equity share capital of the Company (on a fully diluted basis), all of the Shares held by the Investor.
- (d) Sale of Tag Along Shares: In the event that the Investor delivers a Tag Along Notice to the Sponsors, the Sponsors shall ensure that the Third Party Purchaser also shall acquire, together with the relevant Sale Shares, the Tag Along Shares for the same consideration and upon the same terms and conditions as set forth in the Sale Notice (including by reducing the number of Sale Shares to permit the sale of the required number of Tag Along Shares).
- (e) Simultaneous Sale of Sale Shares and Tag Along Shares: The Sponsors and/or their Affiliates shall not be entitled to Transfer any Sale Shares to the Third Party Purchaser unless such Third Party Purchaser first purchases and pays for all of the Tag Along Shares.
- (f) Investor to Provide Limited Warranties: The Investor shall not be required to make any representation or warranty to the Third Party Purchaser, other than as to good title to the Tag Along Shares and the absence of Encumbrances with respect to the Tag Along Shares. It is clarified that the Investor shall (i) make such representation or warranty to the Third Party Purchaser on a several basis and in no event whatsoever, on a joint basis with the Transferring Party; (ii) not be liable to the Third Party Purchaser for any amounts in excess of the relevant purchase price received by the Investor; and (iii) benefit from the same provisions of the definitive agreements as the Transferring Party.
- (g) Delivery of Equity Shares: The Investor may effect its participation in the proposed Transfer by delivering to the Third Party Purchaser on the date of the proposed closing of the Transfer of Shares by the Transferring Party, 1 (one) or more share certificates together with the 1 (one) or more share transfer forms (or where the Shares are dematerialised, the duly executed depository participant instruction slips) for transfer to the Third Party Purchaser, representing, the number of Tag Along Shares; provided, however, that if the Third Party Purchaser objects to the delivery of any of CCDs in lieu of Equity Shares, the Investor shall be entitled to first convert its CCDs into Equity Shares and deliver Equity Shares as provided above. The Sponsors and the Company agree that the completion of the sale and transfer of the Sale Shares and the Tag Along Shares shall be deferred to a date which is 5 (five) Business Days (or to the next Business Day if such date is not a Business Day) after the issuance of the relevant number of Equity Shares to the Investor. No other



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documentation shall be required from the Investor as a condition to participating in the proposed sale.

- (h) No Other Restrictions on the Investor: In connection with any Transfer of Shares pursuant to this Clause 12, the Investor shall not be required to agree to any covenant to not compete or to not solicit customers, employees or suppliers of any party to the proposed Transfer.

12.6 Pre-emption Right of all Shareholders

- (a) Each Shareholder shall have the right (but not the obligation) to participate in any issue of new Shares (the "New Issuance") on the terms and conditions of the New Issuance so that each Shareholder is able to maintain its Relevant Proportion. Notwithstanding the foregoing, a New Issuance shall not include an issuance of Shares in connection with an IPO or a conversion of the CCDs into Equity Shares. The Investor has the right to participate in a New Issuance either by itself or through a Designated Person. Upon such designation by the Investor, all references to Investor in this Clause 12.6 shall be construed as a reference to the Designated Person.
- (b) In the event that a Shareholder does not subscribe to all or part of its entitlement of the New Issuance, the subscribing Shareholders will have the right (but not the obligation) to subscribe to some or all of the unsubscribed portion of the New Issuance in accordance with their respective Relevant Proportion. For the avoidance of doubt, the shareholding of the non-subscribing Shareholder will accordingly be diluted and the Relevant Proportion of the Shareholders will be adjusted to reflect such dilution.
- (c) Subject to Clause 12.6(b), in the event the Shareholders do not subscribe to all of the New Issuance, the Board shall have the right to offer the unsubscribed part of the New Issuance to a Third Party at the price and on the terms offered to the Shareholders. Upon such subscription of New Issuance by the Third Party the shareholding of the Shareholders will accordingly be diluted and the Relevant Proportion of the Shareholders will be adjusted to reflect such dilution. In the event that the Investor approves an investment in the Company by a Third Party which is not an Exit Purchase, the rights of the Investor under Clause 13 (*Liquidity Event*) shall not fall away and shall be fully exercisable at the discretion of the Investor.
- (d) In the event that the Company changes the number of Shares issued and outstanding as a result of a reclassification, stock split (including a reverse stock split), stock dividend or distribution, recapitalisation, merger, subdivision, issuer tender or exchange offer, or other similar transaction, the number of Shares held by the Shareholders shall be equitably adjusted to enable the Shareholders to maintain their Relevant Proportion in the Company.
- (e) Notwithstanding anything in this Clause 12.6, in the event of an issuance of a Default Notice in accordance with Clause 16 (*Event of Default*), the restriction contained in this Clause 12.6 shall not apply to the exercise of any of the Investor's rights under Clause 16 (*Event of Default*).

12.7 Investor Anti-Dilution

- (a) New Issuances Below Conversion Price (prior to full conversion of CCDs): In relation



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to any outstanding CCDs, the provisions of Schedule 3 (*Terms and Conditions of the Investor Securities*) (as applicable) shall apply to any New Issuance at a price lower than the Conversion Price. The Investor has the right participate in a New Issuance in accordance with this Clause 12.7 through a Designated Person. Upon such designation by the Investor, all references to the Investor in this Clause 12.7 shall be construed as a reference to the Designated Person.

- (b) New Issuances Below Conversion Price (following full conversion of CCDs): If, subsequent to the full conversion of CCDs, the Company (i) issues Shares at a consideration per Share that is lower than the Conversion Price, or (ii) issues other instruments that are convertible into or exchangeable for Equity Shares at a consideration per Share on a fully converted basis (which for the avoidance of doubt includes any initial consideration payable in respect of such instruments and any additional consideration payable upon the conversion or exchange of such instrument into, or for, Equity Shares) which is less than the Conversion Price (such proposed lower price is referred to as the "**Lowest Offered Price**"), the Investor shall be entitled to receive additional Shares from the Company such that the average subscription price (i.e., the Conversion Price) of the Investor for all Shares (then held by the Investor) is reduced to the Lowest Offered Price.

13. LIQUIDITY EVENT

13.1 Exit

- (a) The Company and the Sponsors shall be required to undertake or procure any of the following actions any time before the sixth anniversary of the Completion Date:
- (i) cause a QIPO in accordance with Clause 13.2 (*Initial Public Offering*); or
 - (ii) arrange for a Trade Sale or a Secondary Sale pursuant to which all of the Shares held by the Investor are purchased by a Third Party for cash consideration equivalent to or greater than the Target Exit Price (the "**Exit Purchase**").
- (b) The Investor shall not be required to provide any representations and warranties in connection with an Exit Purchase or QIPO to any Person including any underwriter, broker, Recognised Stock Exchange or any Governmental Authority (other than as to, in case of a sale of Shares, good title to the Shares held by the Investor, the absence of Encumbrances with respect to such Shares, customary representations and warranties concerning the Investor's power and authority to undertake the proposed Transfer, and the validity and enforceability of the Investor's obligations in connection with the proposed Transfer).
- (c) If the Sponsors procure an Exit Purchase, such transaction shall be concluded (with full payment being received by the Investor) within 60 (sixty) days of execution of the relevant share purchase or other agreements, excluding the time that may be required for obtaining any approvals from a Governmental Authority for consummating such transaction.

13.2 Initial Public Offering

- (a) In the event that the Company and Sponsors undertake or procure an IPO and the



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Investor approves such IPO, the provisions of this Clause 13.2 shall apply.

(b) For the avoidance of doubt, in the event the Investor does not approve a proposed IPO in accordance with Clause 9.1(b) (*Protective Rights of the Investor*): (i) the Company and the Shareholders shall not proceed with the IPO and the Investor shall in such case have no liability for any IPO related costs, if any, incurred by the Company and/or any other Shareholders; and (ii) such action of the Investor shall not prejudice any right or remedy of the Investor under this Agreement.

(c) Conduct of IPO:

(i) All material terms of the IPO including the following matters shall be determined by the Company and the Sponsors in consultation with the Merchant Bank (as appointed below) and shall be discussed with and be subject to the approval of the Investor:

(A) the price / price band at which the Shares shall be issued / offered to the public;

(B) the type of Shares and quantum of Shares to be offered in the IPO, provided that, the IPO must result in Shares constituting (i) a minimum of 30% (thirty percent) of the share capital of the Company (on a fully diluted basis) being listed on a Recognized Stock Exchange; and (ii) at least 100% (one hundred percent) of the Shares then held by the Investor being offered by the Investor as part of the offer for sale component of the IPO;

(C) appointment of merchant banker / book running lead manager ("Merchant Bank"), who shall be appointed by the Company with the prior written consent of the Investor;

(D) appointment of registrars, financial advisors, issue managers and other intermediaries;

(E) terms of the prospectus; and

(F) the stock exchange(s) on which the Shares are to be listed, which shall be on a Recognized Stock Exchange.

(ii) The Company and the Sponsors shall also ensure that all documents relating to the IPO, including, without limitation, any prospectus or other submissions made to the applicable regulatory authorities and / or governmental agencies are made available to the Investor (and its advisors) for review and comment and that they are approved by the Investor prior to submission to such authorities and / or agencies, and shall provide to the Investor a customary legal opinion of counsel to the Company with respect to such IPO, addressed to the Investor and in form and substance acceptable and approved by the Investor.

(iii) In respect of the offer for sale component of the IPO, the right of the Shareholders other than the Investor to tender their Shares in such offer for sale shall, at all times, be subject to the right of the Investor and its Affiliates



to first tender any or all of the Shares held by the Investor and/or its Affiliates in such offer for sale. For the avoidance of doubt, it is clarified that the Investor has the right to tender 100% (one hundred percent) of the Shares then held by the Investor being offered as part of the offer for sale component of the IPO.

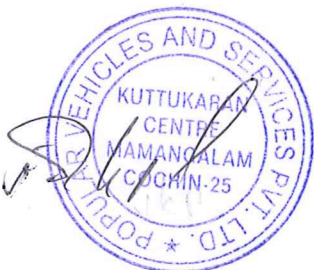
- (iv) In the event the Company undertakes an IPO and the Investor has approved such IPO, each of the Sponsors shall cooperate to facilitate the IPO, including without limitation (A) the exercise of its voting rights at relevant Shareholder meetings, and (B) causing its nominated Directors to execute all documents as required by the Company from time to time in connection with the IPO. The Parties agree that they shall cooperate in optimising the size of the IPO, which shall be determined by the Merchant Bank subject to the Investor's rights under this Clause 13.2.

(d) Investor's Listing:

- (i) In the event that the Company has not conducted an QIPO by the sixth anniversary of the Completion Date for any reason whatsoever, the Investor shall without prejudice to its other rights under this Agreement and applicable law have the right to appoint a merchant bank, cause the Company to make an application for admission of its Shares to trading on a Recognised Stock Exchange and effect an IPO and/or list its Shares on a Recognised Stock Exchange through an offer for sale mechanism, all at the cost and expense of the Company. For the avoidance of doubt, the provisions of Clause 13.2(c) shall apply in the same manner to such IPO as if the Company had itself appointed the Merchant Bank. The Company shall (and the Sponsors shall procure that the Company shall) provide such assistance and take such other action as required by applicable law or regulation (including any requirements of the relevant Recognised Stock Exchange) and as shall be advised by the Merchant Bank as being necessary or desirable to maximise the success of the IPO.
- (ii) In the event that the Company is conducting an IPO by means of an offer for sale mechanism pursuant to 13.2(d)(i) above, the Shareholders expressly acknowledge and agree that the Investor shall tender the Shares owned by it for sale under the IPO; provided that, in the event that the minimum number of Shares required to be tendered under the then applicable law is more than the number of Shares legally and beneficially offered by the Investor, (i) the Sponsors shall tender such minimum number of Shares owned by them for sale under the IPO, and/or (ii) the Company shall issue such minimum number of Shares under the IPO, so as to permit the Investor to conduct the IPO.

(e) Other terms; Registration Rights:

- (i) Costs and expenses: The Parties expressly understand, acknowledge and agree that the Company shall be responsible and liable for (i) all costs and expenses incurred in connection with the IPO (including without limitation underwriting, distribution, all costs related to the exit of the Investor (to the extent permitted by applicable laws, and in the alternative, by the Sponsors)



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and selling costs), and (ii) any breach of the Company's representation, warranties, covenants, obligations and undertakings set forth in any agreement, instrument or other document in relation to the IPO, provided that if any Shareholder offers Shares for sale as a part of the IPO, the selling and distribution costs specifically relating to any offer for sale of Shares by such Shareholder shall be borne by that Shareholder only to the extent required by applicable law or a Governmental Authority.

- (ii) Lock-in: Any Shares that are subject to a "lock in" as "promoter shares" after the IPO shall be Shares held by the Sponsors and the Shares owned by the Investor shall not be subject to any "lock in" as "promoter shares". The Parties agree and acknowledge that the Investor is not a "promoter" of the Company and shall not be represented as a "promoter" for any reason whatsoever including in any regulatory or other filing by the Company and the Sponsors with any Governmental Authority. Nothing in this Agreement shall require the Investor to do or omit to do anything that may result in them becoming a "promoter" of the Company under the relevant Securities and Exchange Control Board of India regulations. To the extent that any representations and warranties are required to be provided in the prospectus by any Investor Director, the Company shall indemnify such Investor Director for any Loss that he or she may suffer.

- (iii) Failed IPO: In the event of a Failed IPO of the Company, if the Investor so determines, the Parties shall, subject to applicable laws, take all necessary steps and cooperate to ensure that, to the extent any changes were made pursuant to the IPO, all the original terms and conditions as under this Agreement in existence prior to the attempted IPO are reinstated and made effective, including with respect to amending the Articles of Association, etc. For the purpose of this Clause, a "Failed IPO" shall be deemed to have occurred in the event of a failure to list and trade the Company's securities on a Recognised Stock Exchange within a period of 6 (six) months from the filing of the draft offer document with Securities and Exchange Board of India for any reason whatsoever. For the avoidance of doubt, the Company shall and the Sponsors shall procure that all rights of the Investor under this Agreement are automatically re-instated and fully exercisable by the Investor.

- (iv) Registration Rights: The Investor shall receive typical and customary (piggyback) registration rights, where available, in all global markets where the Company lists the Shares or any instruments deriving benefit from underlying Shares of the Company. Termination of this Agreement subsequent to an IPO shall not affect the obligation of the Company to provide registration rights to the Investor. Without prejudice to the generality of the foregoing, the rights of the Investor under this Clause 13.2 in relation to an IPO shall, wherever the context permits, extend to any registration or listing undertaken by the Company in all global markets. The expenses of preparation and filing of all registration statements and all piggyback registrations, including the fees / commission payable to the underwriters appointed for the purposes of this Clause 13.2.(e)(iv) shall be borne by the Company.



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14. MOST FAVOURABLE TERMS; LIQUIDATION PREFERENCE

14.1 Investor Consent for Grant of More Favourable Rights

The Company and the Sponsors agree and acknowledge that neither there exists, nor shall they enter into any agreement, arrangement or understanding with any other Shareholder or potential shareholder of the Company granting or to grant such Shareholder or potential Shareholder any rights in the Company without the Investor's consent. Further, without prejudice to the other rights of the Investor herein, the Company and the Sponsors shall not provide any Person with any rights in relation to the Company or its Shares, which are more favourable than those provided to the Investor hereunder or issue any new Shares, to any Person, on terms (including price) more favourable than those provided to the Investor, except with the Investors' written consent or as provided in this Agreement.

14.2 Reset of Investor Rights

Notwithstanding anything contained herein or in the Articles of Association but subject to applicable law, in the event that any favourable rights or more favourable terms are granted and / or have already been granted by the Company to any Person, which rights or terms are not available to the Investor, such rights or terms shall automatically and also *ipso facto* be deemed to be available to / will be granted to the Investor unless otherwise agreed to by Investor, in writing, and the Parties shall take all such necessary steps in order to ensure satisfactory exercise of such rights by the Investor, including amending the Articles of Association of the Company to give effect to such modification of rights of the Investor.

14.3 No Impediment to Investor Rights

For the avoidance of doubt, no rights that may be granted by the Company or the Sponsors to any other Person shall in any manner impede or restrict the rights of the Investor under this Agreement to the fullest extent possible.

14.4 Liquidation Preference

In relation to any outstanding CCDs, upon a Winding Up, the provisions of Schedule 3 (*Terms and Conditions of the Investor Securities*) shall apply.

15. TERMINATION

15.1 Termination by Agreement and Automatic Termination

- (a) This Agreement shall continue in full force and effect indefinitely and shall terminate (i) at any time by the written agreement of all the Parties, or (ii) automatically upon the completion of a QIPO; provided that if the Investor continues to hold Shares subsequent to the QIPO, then the Investor shall be entitled to retain the right to nominate Directors / observers in accordance with Clause 7.2 (*Composition of Board of Directors*) as long as the Investor continues to hold at least 10% (ten percent) of the Investor Shares on a fully diluted basis subsequent to the QIPO.
- (b) In the event any Party and its respective Affiliates cease to hold any Shares in accordance with this Agreement, this Agreement shall terminate in respect of such Party, and such Party shall have no rights, liabilities or obligations under this Agreement (except as contemplated by Clause 15.2 (*Effect of Termination*)).



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15.2 Effect of Termination

- (a) The termination of this Agreement with respect to any Party or any Party ceasing to have rights, liabilities or obligations under this Agreement (other than as specified) shall not affect (i) the validity and effectiveness of any right, liability or obligation of such Party that has already accrued, or (ii) the validity and effectiveness of any right, liability or obligation which is expressly stated in this Agreement to survive such termination or cessation.
- (b) The termination of this Agreement shall in no event terminate or prejudice any provision which by its nature is intended to survive termination, including the provisions of Clause 1 (*Definitions and Interpretation*), Clause 15 (*Termination*), Clause 18 (*Confidentiality*), Clause 20 (*General*), Clause 26 (*Notices*) and Clause 27 (*Governing Law; Dispute Resolution*) of this Agreement and Clause 8 (*Indemnities*) of the Share Subscription Agreement, which shall survive the termination of this Agreement (the "Surviving Provisions").

16. **EVENT OF DEFAULT**

16.1 Event of Default

- (a) An "Event of Default" shall mean any of the following:
 - (i) failure by any of the Sponsors, the Company or any of the Group Companies to adhere to their respective obligations under:
 - (A) Clause 3.2 (*Ability of Sponsors to Engage in Other Business*) of this Agreement;
 - (B) Clause 9.1 (*Investor's Protective Rights*) of this Agreement;
 - (C) Clause 12.1 (*Transfers by the Shareholders; General Restrictions*) of this Agreement;
 - (D) Clause 12.2 (*Transfers by the Sponsors*) of this Agreement;
 - (E) Clause 12.4 (*Approval of Sale Transactions; Extension of Time Limits*) of this Agreement;
 - (F) Clause 12.5 (*Tag Along Rights*) of this Agreement;
 - (G) Clause 12.7 (*Pre-emption Right of all Shareholders*) of this Agreement; and
 - (H) Schedule 3 (*Terms of the Investor Securities*) of this Agreement;
 - (I) Clause 4 (*Use of Proceeds*) of this Agreement;
 - (J) Clause 8 (*Indemnities*) of the Share Subscription Agreement;
 - (K) Clause 4.4 (*Post-completion obligations*) of the Share Subscription Agreement;



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- (L) Clause 7.2 (*Composition of Board of Directors*) of this Agreement;
- (M) Clause 7.5 (*Removal and Replacement of Directors*) of this Agreement;
- (N) Clause 10 (*Information Rights*) of this Agreement;
- (O) Clause 11 (*Covenants*) of this Agreement;

(ii) occurrence of any of the following:

- (A) failure of the Sponsors and the Company to provide an exit, in the manner prescribed under this Agreement, to the Investor within 72 (Seventy two) months from the Completion Date;
- (B) failure of the Company to issue the Conversion Shares in respect of the CCD in accordance with the terms of this Agreement, where such failure is not due to the operation of any law applicable in India;
- (C) repudiation or evidence of intention to repudiate by any Sponsor and/or the Company of any Transaction Document;
- (D) fraud, wilful misconduct or gross negligence by the Sponsors, directly or indirectly, with respect to the affairs of the Company or any Group Company;
- (E) any termination or non-renewal of any Distribution Agreement by the relevant contract counter party. For the avoidance of doubt, any delay in renewal of any Distribution Agreement, which is intimated to the Investor prior to such delay shall not be treated as an Event of Default, subject to the Investor being satisfied that the Sponsors, the Company and/ or a Group Company have taken all necessary steps in good faith to renew such expired Distribution Agreements;
- (F) an Insolvency Event occurs in respect of any of the Sponsors the Company or any Group Company;
- (G) Indebtedness owing to a bank or financial institution or any financial indebtedness owing to a creditor of the Company and/or Sponsors is not paid as follows:

a. Indebtedness owing to a bank or financial institution in excess of INR 10,000,000/- (Indian Rupees ten million) of any of the Company and/or Sponsors is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or

b. any creditor of the Company and/or any Sponsor becomes entitled to declare any financial indebtedness in excess of 10,000,000/- (Indian Rupees ten million) of the Warrantors becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described) and has not been repaid with 90 (ninety) days of being due and payable;



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- (H) a Material Adverse Effect;
 - (I) as of 1 January 2018, if the Investor holds Shares of the Company in excess of 40% (forty percent) of the total issued and paid-up equity share capital of the Company on a fully diluted basis and the Sponsor Call Option under Clause 5.2(b) has not been exercised;
 - (J) any litigation, arbitration, administrative, government, regulatory or other investigations, proceedings or disputes are commenced by or against any of the Sponsors and/or the Company (or any of their assets) pursuant to which any of the Sponsors and/or the Company receives a final order involving their liability being in excess of INR 10,000,000/- (Indian Rupees Ten million);
 - (K) any litigation, arbitration, administrative, government, regulatory or other investigations, proceedings or disputes are commenced in relation to the Transaction Documents or the transaction contemplated thereunder;
 - (L) any license essential for the purposes of the Business is not renewed upon expiry or is cancelled, terminated, revoked or in any way limited;
- (b) Each of the Sponsors and the Company are obligated to inform the Investor as soon as any of them become aware of the occurrence of an Event of Default.
- (c) **Curable EOD:**
- (i) The Events of Default identified in Clauses 16.1(a)(i)(I) to 16.1(a)(i)(O) and, 16.1(a)(ii)(H) to 16.1(a)(ii)(L) are "Curable EOD", which may be cured in the manner set out in this Clause 16 (*Event of Default*).
 - (ii) Upon the Investor becoming aware of a Curable EOD (whether pursuant to Clause 16(b) or otherwise), the Investor shall send a written intimation to the Sponsors and the Company ("Cure Notice") seeking remediation of the Curable EOD.
 - (iii) The Sponsors and the Company shall remedy the Curable EOD, to the satisfaction of the Investor, within 45 (forty five) days from the date of the Cure Notice ("First Cure Period").
 - (iv) In the event the Curable EOD is not remedied to the satisfaction of the Investor within the First Cure Period, but in the sole opinion of the Investor, the Sponsors and the Company have, in good faith, taken all necessary steps to remedy such Curable EOD, then the Sponsors and the Investor shall mutually discuss in good faith and agree upon a further time period for extension of the First Cure Period. If the Sponsors and the Investor cannot agree on such time extension within a period of 7 (seven) days, the First Cure Period shall stand extended by a further period of 45 (forty five) days from the expiry of the First Cure Period ("Second Cure Period").
 - (v) In the event a Curable EOD is not remedied to the satisfaction of the Investor within the First Cure Period or the Second Cure Period (as the case may be), the Investor shall be free to exercise its rights under this Clause 16 (*Event of Default*) by issuing a Default Notice in accordance with Clause



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16.1(d).

- (d) Subject to Clause 16.1(c) above, on or any time after the occurrence of an Event of Default, the Investor may (in its sole and absolute discretion):
 - (i) serve a notice in writing (a "Default Notice") on the Sponsors informing the Sponsors that an Event of Default has occurred;
 - (ii) subject to Clause 16.1(d)(iii), require any or a combination of the following:
 - (A) the Company shall buy-back the Shares held by the Investor as on the date of the Default Notice;
 - (B) drag the Sponsors' aggregate shareholding in the Company to a third party in accordance with Clause 16.4 below; and
 - (C) sell all of the Shares held by the Investor as on the date of the Default Notice to the Sponsors;
 - (iii) in the event of the Sponsors and/or the Company not being able to cure a Curable EOD, the Sponsors and the Company shall have the right to first attempt to provide an exit to the satisfaction of the Investor by the manner prescribed under Clause 16.1(d)(ii)(A) and Clause 16.1(d)(ii)(C) ("Curable EOD Exists"). In the event that the Curable EOD Exits are not completed by the Sponsors and the Company within 45 (forty five) days of the date of the issue of the Default Notice, the Investor shall be entitled to exercise its right under Clause 16.1(d)(ii)(B).

16.2 Buy-back

The Investor shall have the right to require the Company to buy-back the Shares held by the Investor on the date of the Default Notice at a price which shall be determined by a Valuer in accordance with Clause 16.3(d) below. The Company shall complete the buy-back and the payment to the Investor within 15 (Fifteen) days of the Valuation Notice. In the event that all Shares held by the Investor cannot be bought back by the Company in one tranche, the Investor shall have the right to:

- (a) require the Company to buy-back the remaining Shares held by the Investor on an annual basis until such time that all of the remaining Shares held by the Investor have been bought back by the Company; or
- (b) exercise its rights under Clauses 16.3 (*Investor Put Option*) and 16.4 of this Agreement (*Drag Along Right of the Investor*);

16.3 Investor Put Option

- (a) Put Option: The Investor may sell all the Shares held by the Investor ("Put Option Securities") to the Sponsors or any Person nominated by the Sponsor in this behalf ("Sponsor Nominee") on the terms set out in this Clause 16.3 (the "Put Option") upon the occurrence of an Event of Default and the issuance of a Default Notice in accordance with this Clause 16 (*Event of Default*). The Sponsors or the Sponsor Nominee (as the case may be) shall purchase the Put Option Securities at the Put



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Option Purchase Price in accordance with the manner set out in this Clause 16.3.

- (b) Exercise Notice and Calculation of the Put Option Purchase Price: The Put Option shall be exercised by the Investor by issuing an exercise notice to Sponsors or the Sponsor Nominee (as the case may be) ("**Exercise Notice**"), which Exercise Notice shall state that the purchase price of the Put Option Securities ("**Put Option Purchase Price**") shall be equivalent to the fair market value of the Put Option Securities (determined in the manner provided below) ("**FMV**").
- (c) Appointment of the Valuer: Within 5 (five) days of the issuance of the Exercise Notice, the Investor shall appoint a Valuer to compute the FMV of the Put Option Securities. The fees and expenses of the Valuer appointed pursuant to this Clause 16.3(c) shall be borne by the Company, and the Investor shall be promptly reimbursed for any fees and expenses paid by it to the Valuer (if any).
- (d) Calculation of the FMV: The FMV will be determined by the Valuer on the basis of any internationally accepted pricing methodology on arm's length basis.
- (e) Valuation Notice: The Valuer shall independently determine the FMV within a period of 30 (thirty) days of its appointment, or such longer period, if any, as may be (i) agreed in writing between the Sponsors or the Sponsor Nominee (as the case may be) and the Investor; and/or (ii) requested by the Valuer to complete its valuation exercise. The Valuer shall state the FMV of the Put Option Securities determined as above by giving a written notice to the Investor and the Sponsors or the Sponsor Nominee (as the case may be), along with a copy of its valuation report ("**Valuation Notice**"). For the avoidance of doubt, (a) the Valuer appointed under the provisions of this Clause 16.3(e) is an expert and not an arbiter; and (b) the Valuation Notice will be final and binding on all Parties.
- (d) Put Option Closing: At the closing, the Investor shall deliver certificates representing the Put Option Securities, accompanied by duly executed instruments of Transfer or duly executed Transfer instructions to the relevant Persons. The Put Option Securities shall be free and clear of any Encumbrance, and the Investor shall so represent and warrant and shall further represent and warrant that it is (i) the beneficial and record owner of such Put Option Securities; and (ii) is duly organized and has all requisite authority to enter into such Transfer, and that such Transfer will not violate any organizational documents or any agreement binding on the Investor. The Sponsors or the Sponsor Nominee (as the case may be) shall deliver at such closing payment in full of the Put Option Purchase Price in accordance with the terms set forth in the Exercise Notice.
- (e) Assistance with the Sale of Put Option Securities: The Company and the Sponsors (who shall be responsible for the following even in the case of the Put Option being exercised by a Sponsor Nominee) hereby agree and undertake to take all steps to consummate the transactions contemplated under this Clause 16.3 and provide full cooperation to the Investor and its advisors in relation to the same, including providing (i) the Valuer access to, and ensuring the provision of assistance by, relevant management, professional advisers and accountants of the Company, and (ii) information relating to the Company in the manner required by the Valuer.



16.4 Drag Along Right of the Investor



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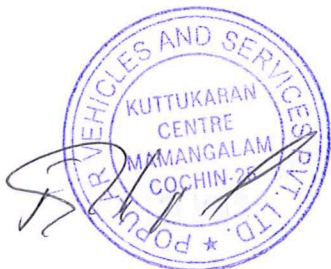
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- (a) Applicability of Drag Right: The Investor may exercise its Drag Right upon the occurrence of an Event of Default and the issuance of a Default Notice in accordance with this Clause 16 (*Event of Default*). Immediately upon the issuance of a Default Notice by the Investor and the election of the Investor to exercise its Drag Right and if so required by the Investor, all Sponsors and/or nominees of the Sponsors shall resign from the board of directors of the Company and the Group Companies and shall relinquish any claims which they and/or their Affiliates may have against the Company and the Group Companies.
- (b) Drag Right: The Sponsors shall be obliged to Transfer such number of Shares, which together with the number of Shares held by the Investor constitute 100% (one hundred percent) of the total issued and paid-up share capital of the Company (on a fully diluted basis), to such Third Party acquirer as may be identified by the Investor together with Shares held by the each Investor (on the same terms and price as the Investor) ("**Drag Right**").
- (c) Drag Notice: In order to exercise the Drag Right, the Investor shall send a written notice ("**Drag Notice**") to the Sponsors specifying (i) the identity of the Third Party acquirer; (ii) the number of Shares required to be Transferred by the Sponsors to the Third Party acquirer ("**Drag Shares**") and (iii) the terms and price at which the Drag Shares are to be acquired by the Third Party acquirer ("**Drag Sale Price**"). Upon the issuance of a Drag Notice, the Sponsors shall be obligated to sell the Drag Shares in the manner set out in this Clause 16.4.
- (d) Drag Closing Actions:

On the date of completion of the Drag Right ("**Drag Date**"):

- (i) the Investor shall, to the extent its Shares are in physical form, execute share transfer forms and hand over share certificates in respect of its Shares to the Third Party acquirer, and to the extent its Shares are in dematerialised form, transfer its Shares to the depository participant of the Third Party acquirer;
- (ii) the Sponsors shall, to the extent the Drag Shares are in physical form, execute share transfer forms and hand over share certificates in respect of the Drag Shares to the Third Party acquirer, and to the extent the Drag Shares are in dematerialised form, transfer the Drag Shares to the depository participant of the Third Party acquirer;
- (iii) the Investors' Shares and the Drag Shares shall be free and clear of any Encumbrance and each of the Investor and the Sponsors shall represent and warrant to the Third Party acquirer that it is the sole beneficial and legal owner of Shares being Transferred to the Third Party acquirer, that such Shares are free and clear from all Encumbrances, that the relevant seller is duly organized and has all requisite authority to enter into such Transfer, that such Transfer will not violate any organizational documents, applicable law or any agreement binding on the relevant seller;
- (iv) the Third Party acquirer shall, simultaneously, deliver at such closing to each Investor and the Sponsors, payment in full of the consideration per the Drag



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Price; and

- (v) all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the acquisition of the Investors' Shares and the Drag Shares by the Third Party acquirer.
- (e) Sponsor Obligations in respect of the Exercise of the Drag Right: While the Investor shall not be required to make any other representations or warranties in connection with its exercise of the Drag Right, it is hereby agreed that the Sponsors shall (i) make such representations and warranties relating to the business and operations of the Company; (ii) enter into such transition services agreement or similar arrangements with the Company to ensure there is no disruption to the Company's business and operations post acquisition by the Third Party acquirer (as may be reasonably required by the Third Party acquirer); and (iii) if so desired by the Third Party acquirer, simultaneously on closing, take all required actions to ensure that the nominees of the Third Party acquirer constitute the majority on the Board. Further, the Sponsors hereby agree to co-operate with the Investor (including provision of data, information and access to the Investor, Third Party acquirer and their advisors) to facilitate the transaction pursuant to exercise of the Drag Right by the Investor.
- (f) Delegated Authority to the Investor: If the Sponsors fail to Transfer the Drag Shares to the Third Party acquirer on the Drag Date:
 - (i) the Investor shall become the duly appointed agent of the Sponsors with full power to execute, complete and deliver in the name and on behalf of the Sponsors all documents necessary to give effect to the transfer of the Drag Shares to the Third Party acquirer;
 - (ii) the Company shall register such Third Party acquirer as the holder of the Drag Shares in the books of the Company; and
 - (iii) the Company may receive and give a good discharge for the purchase money on behalf of the Sponsors and shall forthwith pay the purchase money into a separate bank account in the Company's name, and if and when the Sponsors shall undertake the actions set out in Clause 16.4.4(b), it shall thereupon be paid the purchase money, without interest and less any sums owed to the Company by the Sponsors in respect of the separate bank account or otherwise.
- (g) The Sponsors appoint the Investor as its agent and attorney in fact as referred to in Clause 16.4(f) above and agree that such appointment shall be irrevocable and is (i) coupled with interest; and (ii) given by way of security for performance of the obligations of the Sponsors. The Investor hereby accepts that it is irrevocably appointed as agent and attorney in fact for the Sponsors, in terms of this Clause 16 to undertake all that is contemplated for the purpose of this Clause 16.

16.5 Costs

Notwithstanding any other provision in this Agreement, all costs and expenses incurred in connection with the Transfer pursuant to an Event of Default under this Clause 16 (including the fees of the Valuer) shall be borne by the Company, and the Sponsors shall promptly



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reimburse the Investor and any of its Affiliates for any such costs incurred by the Investor or any of its Affiliates.

17. INDEMNIFICATION

17.1 The Sponsors hereby irrevocably and unconditionally agree to indemnify and hold the Investor, the Company, the Group Companies, the directors of the Company and the Group Companies nominated by the Investor, the Investor's Affiliates and any of their respective officers or employees (not including any legal and/or accounting service providers retained by the Investor) (together, the "Indemnified Parties") harmless, on demand, from and against any and all Losses which may be suffered or incurred by the Indemnified Parties as a result of any misrepresentation or breach of any representation or warranty made by the other party (an "Indemnifying Party") (including without limitation the Warranties) in this Agreement or non-fulfilment of or failure to perform any covenant or agreement contained in this Agreement by the Indemnifying Party. For the avoidance of doubt, if pursuant to the exercise of its Drag Right in accordance with Clause 16.4 (*Drag Along Right of the Investor*) the Investor holds no Shares, the Investor shall not have the right to indemnification under this Clause 17 (*Indemnification*).

17.2 The rights of indemnification of the Investor hereunder shall be in addition to all other rights available to it in law, equity or otherwise, including without limitation rights of specific performance, recession and restitution.

17.3 In respect of any matter in relation to which the Indemnified Parties are entitled to be indemnified by the Sponsors, the Sponsors agree and acknowledge that the Indemnified Parties shall be entitled, at their option, to proceed against any or all of the Sponsors and the Sponsors shall be jointly and severally liable in this regard.

17.4 The Company and each Group Company shall indemnify its directors to the fullest extent permissible under law, including against any and all Losses and expenses which such directors may incur arising out of or in connection with (i) any proceeding that any such director becomes a party to or is involved in as a result of being a director of the Company and/or the Group Company, (ii) any breach of agreement, wilful omission or misconduct of or by the Company and/or the Group Company or their employees or agents, or (iii) any action, suit, claim or proceeding arising out of or relating to any such conduct, or any action or failure to act undertaken by such director at the request of the Company and/or the Group Company, or contravention of any law in respect of the business of the Company and/or the Group Company, and any action or proceedings taken against a director in connection with any such contravention or alleged contravention, except where such liabilities arise solely due to gross negligence of such director or any criminal offence committed by such director (for which such director has been convicted).



17.5 To the extent the payment by the Company and/or the Sponsors, of any indemnification payment pursuant to the provisions of this Agreement is made or to be made outside India, the Parties making the payment shall be responsible for obtaining all necessary approvals / consents from the relevant Governmental Authorities and the other Parties shall cooperate to make all applications and take all steps required to obtain the same.

17.6 The Indemnified Parties shall have the right to nominate any Person for the purpose of receiving the amounts payable by the Indemnifying Parties pursuant to this Clause 17.



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18. CONFIDENTIALITY

18.1 No Disclosure by Parties

The Parties on behalf of themselves and their respective Affiliates, advisors and officers (collectively, "Recipient"), agree with each other and their respective Affiliates, advisors and officers to ensure that the contents of the Transaction Documents, which in each case is confidential, proprietary and/or not otherwise generally available in the public domain (such information collectively, "Confidential Information") shall be kept confidential and shall not be revealed (except in accordance with Clause 18.2). Further, each Recipient shall employ such care as Recipient employs with respect to its own proprietary and confidential information and will not use and will cause its Affiliates, advisors and officers not to use such Confidential Information for any purpose other than the performance of its obligations under the Transaction Documents.

18.2 Permitted Disclosure

No Party to this Agreement shall, without the prior written consent of each of the other Parties, disclose any Confidential Information except:

- (a) to the extent necessary to comply with any laws or regulations binding on it, in which case such Party shall give at least 1 (one) day written notice of such disclosure of Confidential Information;
- (b) to the extent necessary to comply with any requirements of any stock exchange or other regulatory body, in which case such Party shall give at least 1 (one) day written notice of such disclosure of Confidential Information;
- (c) the Investor may disclose any information in relation to the Company to (i) any Person it is required to disclose to pursuant to the disclosure requirements of its fund documents, including but not limited to, its limited partners and general partners; and (ii) a potential purchaser (not being an Investor Restricted Party) of the assets and/or Shares of the Company (whether direct or indirect), provided that the Investor shall obtain appropriate undertakings of confidentiality from any such potential purchaser. However, the aforementioned restriction in respect of an Investor Restricted Party shall not be applicable upon the issuance of a Default Notice;
- (d) to the extent related to the tax treatment and tax structure of the transactions contemplated by this Agreement (including all materials of any kind, such as opinions or other tax analyses that the Company, its Affiliates or its representatives have provided to such shareholder relating to such tax treatment and tax structure); provided that the foregoing does not constitute an authorization to disclose the identity of any existing or future party to the transactions contemplated by this Agreement or their Affiliates or representatives, or, except to the extent relating to such tax structure or tax treatment, any specific pricing terms or commercial or financial information;
- (e) to the extent any disclosure is required to be made to an upstream direct or indirect stakeholder of the Investor and/or its Affiliates under applicable laws, or to the limited partners of any Affiliates of the Investor,



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- (f) in relation to a joint press announcement, the contents of which have previously been agreed by the Shareholders; or
- (g) to the professional advisers and key employees of each of the Parties who need to know such details.

19. ENFORCEMENT OF COMPANY'S RIGHTS

Any right of action which the Company or a Group Company may have in respect of any breach or purported breach of any obligation owed by a shareholder (or Affiliate of such shareholder) to the Company or a Group Company shall be prosecuted by the directors of the Company or the Group Company (as applicable) appointed by the shareholder(s) which is not, or whose Affiliate is not, responsible for the breach or purported breach. Those directors shall have full authority on behalf of the Company or the Group Company (as applicable) to negotiate, litigate and settle any claim arising out of the breach or purported breach or exercise any right of termination arising out of the breach and the shareholders shall take all steps within their power to give effect to the provisions of this Clause.

20. GENERAL

20.1 Variation to be in Writing

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of the Parties, in which case the Articles and/or Memorandum, as the case may be, shall be amended as appropriate and subject to the Shareholder's approval to reflect any such agreed variation.

20.2 No Waiver

- (a) No waiver of any right under this Agreement shall be effective unless in writing. Unless expressly stated otherwise a waiver shall be effective only in the circumstances for which it is given.
- (b) No delay or omission by any Party in exercising any right or remedy provided by law or under this Agreement shall constitute a waiver of such right or remedy.
- (c) The single or partial exercise of a right or remedy under this Agreement shall not preclude any other nor restrict any further exercise of any such right or remedy.
- (d) The rights and remedies provided in this Agreement are cumulative and do not exclude any rights or remedies provided by law.
- (e) Without prejudice to any other rights or remedies that the Parties may have, the Parties acknowledge and agree that damages would not be an adequate remedy for any breach of Clause 18 (*Confidentiality*) and that the remedies of injunction, specific performance and other equitable remedies are appropriate for any threatened or actual breach of such Clauses.

20.3 Severance and Validity

- (a) If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect under the laws of any



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jurisdiction, then such invalidity, illegality or unenforceability shall not affect:

- (i) any other provision of this Agreement, and this Agreement shall be construed under the applicable law of such jurisdiction as if such invalid, illegal or unenforceable provision had never been set forth herein, and shall be carried out as nearly as possible according to its original terms and intent; and
 - (ii) the validity, legality and enforceability of such provisions under the applicable law of any other jurisdiction.
- (b) The Parties shall endeavour to replace any such invalid, illegal or unenforceable provision with a valid, legal and enforceable provision which as far as possible reflects the original intent of the Parties.

20.4 No Strict Construction

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all Parties, and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provision of this Agreement.

20.5 No Agency or Partnership

Nothing in this Agreement shall, or shall be deemed to constitute a partnership between the Parties or, unless expressly provided otherwise, constitute any Party as the agent of any of the other Parties for any purpose.

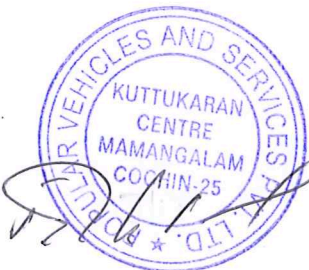
21. ENTIRE AGREEMENT

21.1 This Agreement, together with each of the other Transaction Documents and any other documents referred to in the Agreement or any Transaction Document, constitutes the whole agreement between the Parties and supersedes any previous arrangements or agreements between them relating to the Shares and the management of the Company

21.2 Nothing in this Clause 21 shall have the effect of limiting or restricting any liability arising as a result of any fraud, wilful misconduct or wilful concealment.

22. ASSIGNMENT

Except as provided elsewhere in the Agreement, the Company and the Sponsors shall not assign or create any trust in respect of, or purport to assign or create any trust in respect of, any of its rights or obligations under this Agreement without the prior written consent of the other Parties. For the avoidance of doubt, it is clarified that the Investor is free to assign or create any trust in respect of any of its rights and obligations under this Agreement, subject to the Investor being required to obtain the prior written consent of the Sponsors and the Company if proposes to an assignment under this Clause 22 to an Investor Restricted Party. For the avoidance of doubt, in the event of an issuance of a Default Notice in accordance with Clause 16 (*Event of Default*), the prior written consent requirement contained in this Clause 22 shall not apply to the exercise of any of the Investor's rights under Clause 16 (*Event of Default*).



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23. FURTHER ASSURANCE

Each of the Parties shall from time to time and at its own cost do, execute and deliver or procure to be done, executed and delivered all such further acts, documents and things required to give full effect to this Agreement and their relevant rights, powers and remedies under this Agreement.

24. PAYMENTS

24.1 Any amount payable to a Party under this Agreement shall be made in full without set-off or counter-claim and free from any deduction or withholding whatsoever, except as required by law.

24.2 If any deduction or withholding is required by law to be made from any payment to the Investor pursuant to Clause 17 (*Indemnification*), the payer shall increase the amount of the payment to the extent necessary to ensure that the net amount received by the Investor (after taking into account all deductions, withholdings or Tax) is equal to the amount it would have received had the payment not been subject to any such deductions, withholdings or Tax. Such tax deduction shall not be made if the Sponsors and/or the Company provides the Investor with tax deduction certificates in the agreed form and to the satisfaction of the Investor.

25. COUNTERPARTS

This Agreement may be executed in counterparts and shall be effective when each Party has executed a counterpart. Each counterpart shall constitute an original of this Agreement. The delivery of signed counterparts by facsimile transmission or electronic mail in "portable document format" (.pdf) shall be as effective as signing and delivering the counterpart in person.

26. NOTICES

26.1 Any notice or other communication to be given under or in connection with this Agreement ("Notice") shall be in the English language in writing and signed by or on behalf of the Party giving it and marked for the attention of the relevant Party. A Notice may be delivered personally or sent by facsimile or international courier to the address or facsimile number provided in Clause 26.3.

26.2 A Notice shall be deemed to have been received:

- (a) at the time of delivery if delivered personally; or
- (b) 5 (five) Business Days after the time and date of posting if sent by international courier,

provided that, if receipt of any Notice occurs after 6.00 p.m. or is not on a Business Day, deemed receipt of the Notice shall be 9.00 a.m. on the next Business Day. References to time in this Clause 26 are to local time in the country of the addressee.

26.3 The addresses and facsimile numbers for service of Notice are as follows:

Representative (on behalf of the Sponsors):



Name: Mr. John K. Paul
Address: 42/1058, Kuttukaran House, St Benedict Road,
Ernakulum, Kerala 682018

For the attention of: Mr. John K. Paul

Company:

Name: Popular Vehicles and Services Private Limited
Address: Kuttukaran Centre, Mamangalam, Palarivattom
P.O., Ernakulam, Kerala – 682025

For the attention of: Mr. John K. Paul

Investor:

Name: BanyanTree Growth Capital II, LLC
Address: 13th Floor, Nexteracom 1, Cybercity, Ebene,
Mauritius

For the attention of: Mr. Rajiv Barnard

26.4 A Party shall notify the other Parties of any change to its address in accordance with the provisions of this Clause 26 provided that such notification shall only be effective on the later of the date specified in the notification and 5 (five) Business Days after deemed receipt.

26.5 Notice given to the Representative shall be deemed to be Notice to all of the Sponsors and the rights of the Sponsors in respect of such Notice shall be exercised or waived on behalf of them if exercised or waived by the Representative.

26.6 In the event that a Party refuses delivery or acceptance of a Notice, request or other communication, under this Agreement, it shall be deemed that the Notice was given upon proof of the refused delivery, provided such Notice was sent in the manner specified in this Agreement.

27. GOVERNING LAW; DISPUTE RESOLUTION

27.1 Governing Law

This Agreement, including any non-contractual disputes arising thereunder, shall be governed by and construed in accordance with the laws of India.

27.2 Dispute Resolution

- (a) If any dispute, controversy or claim arises out of or in connection with this Agreement, including any question regarding its existence, validity or termination (a "Dispute") the Parties shall use all reasonable endeavours to resolve the matter amicably. If 1 (one) Party gives another Party notice that a Dispute has arisen and the Parties are unable to resolve the Dispute within 30 (thirty) days of service of the



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notice then the Dispute shall be referred for arbitration under Clause 27.2(b).

- (b) All Disputes, which are unresolved pursuant to Clause (a) and which a Party wishes to have resolved, shall be referred upon the application of any Party to and finally settled through arbitration under the Rules laid down by the Singapore International Arbitration Centre, India (the "Rules") in force at the date of this Agreement, which Rules are deemed to be incorporated by reference to this Clause. The arbitration shall be conducted through an arbitral tribunal of 3 (three) arbitrators, with the claimants appointing 1 (one) arbitrator, the respondents appointing 1 (one) arbitrator and the arbitrators so appointed jointly appointing the third arbitrator, who will preside as chairman. No officer, director, shareholder, employee, representative or Relative of any Party may be nominated or appointed as an arbitrator. The seat of the arbitration shall be Singapore. The language of this arbitration shall be English and any document not in English submitted by any Party shall be accompanied by an English translation. A written transcript of the proceedings shall be made and furnished to the Parties.
- (c) The arbitral tribunal shall have the power to grant any legal or equitable remedy or relief available under law, including injunctive relief (whether interim and/or final) and specific performance and any measures ordered by the arbitral tribunal may be specifically enforced by any court of competent jurisdiction.
- (d) The Parties shall equally share the costs of the arbitral tribunal's fees, but shall bear the costs of their own legal counsel engaged for the purposes of the arbitration, subject to the provisions of Clause 27.2(h).
- (e) Any award of the arbitral tribunal pursuant to this Clause 27.2 shall be in writing and shall be final, conclusive and binding upon the Parties, and the Parties shall be entitled (but not obliged) to enter judgment thereon in any one or more of the highest courts having jurisdiction.
- (f) During the course of any arbitration under this Clause 27.2 except for the matters under dispute, the Parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under this Agreement.
- (g) Each Party shall participate in good faith to reasonably expedite (to the extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.
- (h) The arbitral tribunal shall decide on and apportion the costs and reasonable expenses (including reasonable fees of counsel retained by the Parties) incurred in the arbitration.
- (i) The arbitral tribunal shall also have the power to decide on any dispute regarding the validity of this Clause 27. Notwithstanding anything contained in the Rules, in order to facilitate the comprehensive resolution of related disputes, and upon request of any Party to the arbitration proceeding, the arbitral tribunal may, within 90 (ninety) days of its appointment, consolidate the arbitration proceeding with any other arbitration proceeding involving any of the Parties relating to this Agreement. The arbitral tribunal shall not consolidate such arbitrations unless it determines that (a) there are issues of fact or law common to the proceedings, so that a consolidated



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proceeding would be more efficient than separate proceedings; and (b) no Party would be prejudiced as a result of such consolidation through undue delay or otherwise.

28. REPRESENTATIVE OF THE SPONSORS

- 28.1 Each of Sponsor 2 and Sponsor 3 designates Sponsor 1 to serve as their representative (the "Representative") with respect to the actions or decisions expressly identified in this Agreement to be performed or made by the Representative.
- 28.2 Each of the Sponsor 2 and Sponsor 3 irrevocably appoints the Representative as their agent, proxy and attorney and gives the Representative full power and authority on such Party's behalf to resolve or address all matters as are expressly contemplated by this Agreement and the other Transaction Documents.
- 28.3 Any action taken or document executed by the Representative on behalf of Sponsor 2, and Sponsor 3 in connection with this Agreement shall be deemed to have been made on behalf of such Party and the Investor shall be entitled to rely upon such action or document as being binding on such Party without further enquiry.

29. STAMP DUTY

Any stamp duty payable in India on this Agreement and on the CCDs or any other Shares of the Company, including Equity Shares to be issued to the Investor on conversion of the CCDs, shall be borne by the Company.

30. RIGHTS OF THE PARTIES

- 30.1 Notwithstanding anything to the contrary contained in this Agreement, in the event any Party is unable to exercise any rights available to such Party under this Agreement (in part or in full) owing to any applicable law, then such Party shall be entitled to the exercise of any such right under this Agreement to the limited extent permissible under law, provided that on the revocation, removal or diminution of such law or provisions, as the case may be, by virtue of which any right of such Party pursuant to this Agreement was limited as provided hereinabove, the original provisions would stand renewed and be effective to their original extent, as if they had not been limited by the law or provisions revoked.
- 30.2 The Company and the Sponsors hereby acknowledge that the Investor and its Affiliates invest in numerous companies, some of which may compete with the Company and/or the Group Companies (excluding any Investor Restricted Party), and no claim shall be made nor shall the Investor and its Affiliates be liable for any claim arising out of, or based upon (i) the fact that it or its Affiliates hold an investment in any entity that competes with the Company and/or the Group Companies (except in an Investor Restricted Party), (ii) developing a business relationship with any person involved in any business or company in the same or similar field as that of the businesses of the Company and/or the Group Companies, including any business or company deemed to be related to, or in competition with, the current businesses of the Company and/or the Group Companies (except in relation to an Investor Restricted Party); or (iii) any action taken by any of its officers or representatives to assist any such competitive company, whether or not such action was taken as a board member of such competitive company, or otherwise, and whether or not such action has a detrimental effect on the Company and/or any Group Company (except in relation to an Investor Restricted Party). Notwithstanding the above, any use of any knowledge gained



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from the Business or the business of any Group Company shall not be utilised by the Investor to solicit, or invest in an Investor Restricted Party. To the fullest extent permitted by applicable law, the doctrine of corporate opportunity, or any other analogous doctrine, shall not apply with respect to the Investor. However, upon the issuance of a Default Notice, the restrictions on investing, developing a business relationship or taking any action in respect of any Investor Restricted Party shall cease to exist and the Investor shall be free to undertake any of the aforementioned in respect of any Investor Restricted Party.

31. CHANGE IN LAW

If, due to any determination made by any Governmental Authority, a change in applicable law after the date hereof, any requirement of applicable law (in each case, in the sole opinion of the Investor): (i) any restriction is imposed on the Investor which makes it necessary for it to reduce all or some portion of its holding of the Shares held by it, or (ii) it becomes unlawful for the Investor to control or acquire any Shares that it is entitled to acquire under this Agreement or exercise any rights it is entitled to exercise under this Agreement, then the Investor shall, subject to prior written intimation to the Sponsors and the Company, have the right to nominate a Third Party to purchase all or some portion of the Shares held by it or to control or acquire any Shares that it is entitled to acquire or exercise any rights it is entitled to exercise under this Agreement.

32. OTHER PROVISIONS IN RELATION TO THE PURCHASE OR SUBSCRIPTION OF SHARES BY THE INVESTOR

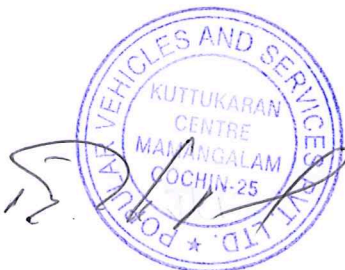
32.1 Where the Investor is subscribing to or purchasing any Shares pursuant to this Agreement, in the event that the Investor is prevented from subscribing to or purchasing the Shares due to any applicable laws or other stipulation of any Governmental Authority, it shall, subject to prior written intimation to the Sponsors and the Company, have the option of nominating any Third Party who shall be entitled to purchase or subscribe to such Shares. The Investor shall in such case be entitled to exercise the corresponding rights either by itself or through such Third Party.

32.2 In the event that the price per Share is required to be determined under applicable law in accordance with any internationally accepted pricing methodology, including but not limited to discounted cash flow value or fair value (including FMV) of the Shares, for any transaction contemplated by this Agreement, the Investor, the Sponsors and the Company, shall except as provided in the Agreement, be entitled to appoint a Valuer (at the Company's expense) to determine such discounted cash flow value or fair value (including FMV) on behalf of the Company.

33. COSTS AND PAYMENTS

33.1 Subject to the arrangement set out in Part C of Schedule 13 to the Share Subscription Agreement, all costs related to the transactions contemplated under this Clause 33 shall be borne by the Company and/ or the Sponsors.

33.2 All payments by the Sponsors and/or the Company to the Investor under the Transaction Documents shall be made free and clear of all levies, Taxes, withholdings, subject to issuance of tax deduction certificates as per applicable law, or deductions of any nature.



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SCHEDULE 1 | SHAREHOLDING

Shareholding of the Company on Completion Date

| NAME OF SHAREHOLDER | NUMBER OF EQUITY SHARES OWNED ON THE COMPLETION DATE | NUMBER OF CCDs OWNED ON THE COMPLETION DATE | SHAREHOLDING PERCENTAGE (ON A FULLY DILUTED BASIS) |
|------------------------------------|--|---|--|
| John K Paul | 867,460 | Nil | 43.37% |
| Francis K Paul | 867,460 | Nil | 43.37% |
| Naveen Philip | 235,680 | Nil | 11.78% |
| Susan Francis | 4,000 | Nil | 0.20% |
| Maniyara Abraham Sajjan | 200 | Nil | 0.01% |
| Others | 25,200 | Nil | 1.26% |
| BanyanTree Growth Capital III, LLC | 100 | 6,500 | 0.01% |
| Total Issued Securities | 2,000,100 Equity Shares | 6,500 CCDs | 100% |



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SCHEDULE 2 | DEED OF ADHERENCE

THIS DEED OF ADHERENCE ("Deed") is made on the _____ day of _____

BETWEEN:

- (1) **POPULAR VEHICLES AND SERVICES PRIVATE LIMITED**, a company incorporated in India under the (Indian) Companies Act, 1956, whose registered office is at Kuttukaran Centre, Mamangalam, Palarivattom P.O., Ernakulam, Kerala – 682025 (the "Company");

AND

- (2) [●] <To specify the name and address of the new shareholder(s) of the Company> (hereinafter referred to as "the New Shareholder(s)).

WHEREAS:

- (A) On 12 October 2015, the Company and its Shareholders entered into a Shareholders Agreement (as may be amended from time to time pursuant to its terms, the "Shareholders' Agreement") to which a form of this Deed is attached as Schedule 2.
- (B) The New Shareholder wishes to have transferred to him/her/it <insert number of shares> shares (the "Shares") in the capital of the Company from <insert name of Shareholder> ("Selling Shareholder") and in accordance with the Shareholders' Agreement has agreed to enter into this Deed.
- (C) The Company enters this Deed on behalf of itself and as agent for all the existing Shareholders of the Company.

NOW THIS DEED WITNESSES as follows:

1. **Definitions**

Unless the subject or context otherwise requires, this Deed shall be interpreted in accordance with Clause 1.1 of the Shareholders Agreement.

2. **Interpretation**

In this Deed, except as the context may otherwise require, all words and expressions defined in the Shareholders' Agreement shall have the same meanings when used herein.

3. **Covenant**

2.1 The New Shareholder hereby acknowledges that it has received a copy of, and has read and understands the Shareholders' Agreement as if it was an original Party thereto, including with respect to the rights and obligations of the Parties contained therein.

2.2 The New Shareholder hereby covenants to the Company as trustee for all other Persons who are at present or who may hereafter become bound by the Shareholders' Agreement, and to the Company itself to adhere to and be bound by all the duties, burdens and obligations of a Shareholder holding the same class of shares as the Shares imposed pursuant to the provisions of the Shareholders' Agreement and all documents expressed in writing to be



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supplemental or ancillary thereto as a Shareholder.

2.3 The New Shareholder hereby further confirms that at any time it intends to Transfer its Shares in accordance with the Shareholders Agreement, it shall notify each of the Parties of such fact.

4. **Representations and Warranties**

The New Shareholder represents and warrants to each of the Company as follows:

4.1 Status

It is a company duly established and existing under the laws of <insert> and has the power and authority to own its assets and to conduct the business which it conducts and/or proposes to conduct.

4.2 Powers

It has the power (a) to enter into, exercise its rights and perform and comply with its obligations under this Deed and (b) to act as a Shareholder of the Company.

4.3 Authorisation and Consents

All actions, conditions and things required to be taken, fulfilled and done (including the obtaining of necessary consents) in order (a) to enable it lawfully to enter into, exercise its rights and perform and comply with its obligations under this Deed and the Shareholders Agreement are valid, legally binding and enforceable and (b) to make this Deed and the Shareholders Agreement admissible in evidence in the courts of the jurisdiction in which it is incorporated, have been taken, fulfilled and done.

4.4 Non-Violation of Laws

Its entry into, exercise of its respective rights and/or performance of or compliance with their respective obligations under this Deed and the Shareholders Agreement and the purchase of the Shares do not and will not violate or exceed any restriction imposed by (a) any laws and regulations binding on it to which it is subject or (b) its Memorandum or Articles, as the case may be.

4.5 Obligations Binding

Its obligations under this Deed and the Shareholders Agreement are valid, binding and enforceable.

4.6 Non-Violation of Other Agreements

Its entry into, exercise of its rights and/or performance of or compliance with its respective obligations under this Deed and the Shareholders Agreement and the purchase of the Shares do not and will not violate any agreement to which it is a party.

4.7 No Litigation

There are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other



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proceedings, claims, actions, governmental investigations, orders, judgments or decrees of any nature made, existing, threatened, anticipated or pending against it which may prejudicially affect its holding of the Shares or the due performance or enforceability of the Shareholders Agreement or this Deed or any obligation, act, omission or transaction contemplated thereunder or hereunder.

5. **Assumption of Obligations**

The New Shareholder undertakes to the Company that it will, with effect from the time of completion of the Transfer of the Shares to it assume, perform and comply with each of the obligations of the Transferor under the Shareholders Agreement as if it had been a party to the Shareholders Agreement at the date of execution thereof and both the Transferor and the New Shareholder shall be considered as a single block of Shareholder.

6. **Transfer of Rights**

6.1 The following rights listed below and attached to the Shares under the Shareholders Agreement, have been assigned and transferred to the New Shareholder <to be inserted if the Selling Shareholder is the Investor>:

<please insert>

7. **Notices**

7.1 The address and facsimile number designated by the New Shareholder for the purposes of Clause 26 (Notices) of the Shareholders Agreement are:

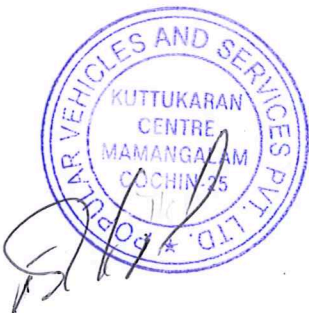
Address: <please insert>

Fax: <please insert>

For the attention of: <please insert>

8. **General Provision**

The provisions of Clause 27 (Governing Law; Dispute Resolution) of the Shareholders Agreement are incorporated into this Deed as if set out in full in this Deed and as if references in those clauses to "this Agreement" are references to this Deed.



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IN WITNESS WHEREOF this Deed of Adherence has been executed as a deed on the date first above written.

POPULAR VEHICLES AND SERVICES PRIVATE LIMITED

By: _____

Name:

Title:

[NAME OF NEW SHAREHOLDER]

By: _____

Name:

Title:



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SCHEDULE 3 | TERMS AND CONDITIONS OF THE INVESTOR SECURITIES

1. DEFINITIONS

1.1 Unless the context otherwise requires, capitalised terms used in this Schedule 3 (*Terms and Conditions of the Investor Securities*) and not defined hereunder shall have the same meaning given under Clause 1 of this Agreement. To the extent there is any conflict between the definition of a term in this Schedule 3 (*Terms and Conditions of the Investor Securities*) and the definition of a term under Clause 1 of this Agreement, the provisions of this Schedule 3 (*Terms and Conditions of the Investor Securities*) shall take precedence.

1.2 For the purposes of this Schedule 3 (*Terms and Conditions of the Investor Securities*):

“Additional Conversion Shares” has the meaning set out in Paragraph 4.4(b) of this Schedule 3 (*Terms and Conditions of the Investor Securities*);

“Adjusted PAT” means the consolidated profit after tax of the Company and the Group Companies for the relevant financial year (commencing on 1 April and ending 31 March). The profit after tax of Company and the Group Companies shall be calculated: (i) on the basis that the profit after tax of the Company and the Group Companies is as per the computations and opinion of the Expert; and (ii) after excluding gains or profits of a non-recurring, non-operating or extraordinary nature (but will take into account any losses of an extraordinary nature). These non-recurring, non-operating or extraordinary items shall include (without limitation) the following:

- (a) total cost of restructuring and transaction closure with a cap of INR 25,000,000 (Indian Rupees twenty five million) to be excluded from expenses. However, this cost shall be amortised over 6 (six) years, and hence shall be reduced from the profit after tax of the Company accordingly for the Financial Years ending on 31 March 2016 and 31 March 2017;
- (b) any gain made by the Company or a Group Company on the sale or other disposal of any capital asset or intangible assets;
- (c) any extraordinary or non-recurring income of the Company or a Group Company;
- (d) any gain arising on any revaluation of any asset or write-back of old provisions;
- (e) debtors written off in the previous Financial Year, but received in the assessment Financial Year forming a part of income for the Company in the assessment year, continues to be recognised as income for Adjusted PAT;
- (f) any realised or unrealised currency exchange gains, except currency gains which have occurred in relation to earnings from direct services provided or the goods / services supplied by the Company or a Group Company to its customers;
- (g) any gains on investments in equity stocks or any type of mutual funds having any exposure to equity;
- (h) any gains arising out of revaluation of investments in subsidiaries / associates or any other parties;



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- (i) any gains under any currency or any interest rate derivatives, unless pertaining to the business;
- (j) any amount received or receivable by the Company or a Group Company in respect of a rebate or refund of any tax paid by the Company or a Group Company in respect of the profit arising for past periods, or any liabilities arising or amounts payable as tax by the Company or a Group Company in respect of past periods;
- (k) all receivables of the Company and the Group Companies which have had an ageing of 12 (twelve) months or more (at the end of the Financial Year), except any receivables from original equipment manufacturers for which balance confirmations have been provided to the satisfaction of the Investor;
- (l) to deduct:
 - (i) annualised lease rentals as to be paid by the Company and the Group Companies to the Sponsors by the Company and the Group Companies for the Identified Leased Properties;
- (m) the book value of all motor vehicles in inventory of the Company and the Group Companies (at the end of the Financial Year) which have had an ageing of 12 (twelve) months or more; and
- (n) sales of motor vehicles not realised within 30 (thirty) days after the end of Financial Year and all sale of services not realised within 120 (one hundred and twenty) days after the end of Financial Year shall be reversed;
- (o) to add:
 - (i) insurance income related to the Company booked in the personal capacity of the Sponsors between the period 1 April 2015 to 30 September 2015; and
 - (ii) partnership income on the 4 (four) workshops (being Thrissur, Kunnankulam, Triprayar, Palakkad) from partnership entities which is not booked in the Company, to be booked as income between the period 1 April 2015 to 30 September 2015;

the reductions contemplated pursuant to paragraph (k) (debtors) and (m) (inventory) above shall be apportioned equally over a period of 2 (two) Financial Years, beginning from the Financial Year ending on 31 March 2016;

“Expert” means the qualified financial professional as appointed by the Investor;

“Conversion Amount” has the meaning set out in Paragraph 4.3 and shall be adjusted from time to time as set forth herein;

“Conversion Date” has the meaning set out in Paragraph 4.5(b) of this Schedule 3 (*Terms and Conditions of the Investor Securities*);

“Conversion Notice” has the meaning set out in Paragraph 4.5(a) of this Schedule 3 (*Terms and Conditions of the Investor Securities*);

“Conversion Price” has the meaning set out in Paragraph 4.3 of this Schedule 3 (*Terms and*



Conditions of the Investor Securities) and shall be adjusted from time to time as set forth herein;

"Conversion Share Calculation Event" means any of the following events, upon which the number of Equity Shares into which the relevant CCDs are to be converted into is to be determined:

- (a) the Investor delivering a Conversion Notice or on the occurrence of a Mandatory Conversion Date (the **"Conversion Share Calculation"**);
- (b) the Company and/or the Expert being requested by the Investor to calculate the Relevant Proportion of the Investor or the Company being required to determine the Relevant Proportion of the Investor in accordance with the provisions of the Transaction Documents (the **"Relevant Proportion Calculation"**);
- (c) the Company and/or the Expert being requested by the Investor to calculate the dividend entitlement of the Investor or the Company being required to determine the dividend entitlement of the Investor in accordance with the provisions of the Transaction Documents (the **"Dividend Calculation"**); and
- (d) the Company and/or the Expert being requested by the Investor to calculate the Liquidation Preference Amount or the Company being required to determine the Liquidation Preference Amount payable to the Investor in accordance with the provisions of the Transaction Documents (the **"Liquidation Calculation"**);

"Conversion Shares" has the meaning set out in Paragraph 4.3 of this Schedule 3 (*Terms and Conditions of the Investor Securities*) and shall be adjusted from time to time as set forth herein;

"Corporate Action Event" means any share split, bonus issue, stock dividend, recapitalization or recombination affecting the Shares and any other transaction having the effect of any of the foregoing;

"Default Conversion Method" has the meaning set out in Paragraph 4.3 of this Schedule 3 (*Terms and Conditions of the Investor Securities*);

"Identified Leased Properties" means the properties leased by the Company and the Group Companies from the Sponsors and /or their Affiliates, which are set out Schedule 7 (*Identified Leased Properties*);

"Investment Amount" means all amounts invested by the Investor in acquiring the Investor Equity Shares (including amounts invested in the CCDs which converted into the Conversion Shares);

"Issuance Date" means the Completion Date;

"Liquidation Preference Amount" means the aggregate amounts payable to the Investor pursuant to Paragraph 3.1 of this Schedule 3 (*Terms and Conditions of the Investor Securities*);

"Lowest Permissible Price" means the lowest possible price at which a Share may (i) be issued to the Investor in accordance with applicable law; or (ii) be purchased by the Investor



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in accordance with applicable law (as the case may be);

"Mandatory Conversion Date" has the meaning set out in Paragraph 4.2 of this Schedule 3 (*Terms and Conditions of the Investor Securities*);

"Relevant Date" means:

- (a) for the purposes of the Conversion Share Calculation, the relevant date of a Conversion Notice;
- (b) for the purposes of the Dividend Calculation, the date of declaration of the relevant dividend by the Company;
- (c) for the purposes of the Liquidation Calculation, the date on which a petition for Winding Up is admitted by a Court or the date on which the shareholders of the Company pass a resolution for the Winding Up of the Company; and
- (d) for the purposes of the Relevant Proportion Calculation, the relevant date on which a calculation of the Relevant Proportion is required to be made;

"Winding Up" means the winding-up, dissolution, liquidation, or any other analogous procedure or step.

2. DIVIDEND PREFERENCE

- 2.1 Each Financial Year, the Investor shall be entitled to a coupon at the rate of 0.001% per annum on the face value of each CCD. In any given Financial Year, the Company may not declare any dividend or other distribution to any other holder of Shares unless it has first declared and paid the preferential dividend for such Financial Year to the Investor.
- 2.2 If the Company declares any dividend or other distribution to its shareholders, in cash or otherwise, the Investor shall, notwithstanding Paragraph 2.1, have the right to receive the aggregate amount of such dividend or other distribution which the Investor would have received if, on the record date for each dividend or distribution, it were the holder of the number of Equity Shares into which the CCDs held by it could be converted on such record date (in each case, less any dividend received by the Investor pursuant to Paragraph 2.1 in respect of such Financial Year).

3. LIQUIDATION PREFERENCE

- 3.1 In the event there occurs a Winding Up, then, from the total proceeds from such Winding Up remaining after discharging, or making provision for discharging, the liabilities of the Company that are payable in priority to the Shares, the Investor shall receive, in respect of the CCDs, in priority to all other holders of Shares, the higher of:
 - (a) the Investment Amount in addition to the Investment FMV; or
 - (b) the aggregate amounts that the Investor would be entitled to receive if it were the holder of Equity Shares (assuming for such purpose that all CCDs convert into Equity Shares immediately prior to such Winding Up; and taking into account any additional Equity Shares held by it immediately prior to such Winding Up).



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CCD certificate(s) are received by the Company on a day which is not a Business Day or after the close of business on a Business Day, the Conversion Date shall be deemed to occur on the Business Day following the date such certificate(s) are received). Failure to surrender such certificate(s) shall not affect the conversion of the Investor's CCDs, provided that if the Investor fails to surrender its certificate(s), the Investor shall instead deliver to the Company a duly executed declaration cum indemnity of lost share certificate in a form reasonably acceptable to the Company.

- (c) New Certificates. As soon as practicable after the Conversion Date, and in any event within 5 (five) days thereafter, the Company at its expense will cause to be issued in the name of, and delivered to, the Investor, or, subject to the terms and conditions hereof, to such other Persons as the Investor may designate, a certificate or certificates for the number of Equity Shares to which the Investor shall be entitled upon such exercise. The Investor shall be deemed to be the holder of record of the Equity Shares on the Conversion Date, notwithstanding that the register of members of the Company shall then be closed or that certificates representing such Equity Shares shall not then be actually delivered to the Investor/ its nominee. The Company also will issue a new certificate or certificates for the number of CCDs evidenced by the certificate or certificates surrendered to the Company but were not converted into Equity Shares pursuant to the Conversion Notice, if any.
- (d) Stamp Taxes. The Company shall pay any and all documentary stamp or similar issue taxes payable in respect of the issue of the Equity Shares.

4.6 No Fractional Shares.

No fractional share shall be issued upon the conversion of any CCDs, and the number of Equity Shares to be issued shall be rounded to the nearest whole share.

4.7 Reservation of Shares Issuable Upon Conversion.

As and when required (or at any time at the Investor's request and cost), the Company shall (and the Sponsors shall procure that the Company shall) undertake to increase or make available out of its authorized but unissued Equity Shares, solely for the purpose of effecting the conversion of the CCDs, such number of Equity Shares as shall from time to time be sufficient to effect the conversion of all outstanding CCDs. If authorized but unissued Equity Shares are not sufficient to effect the conversion of all then outstanding CCDs (taking into account the issuance of Equity Shares pursuant to any existing convertible security), the Company shall (and the Sponsors shall procure that the Company shall) take such corporate action as may be necessary to increase its authorized but unissued Equity Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to the Company's Memorandum of Association.

- 4.8 Conversion to reflect adjustment for Demerger and/or Restructuring. Notwithstanding anything in this Schedule 3 (*Terms and Conditions of the Investor Securities*), the calculation of the Conversion Shares shall be suitably adjusted for any tax, cost or liability arising in relation to the Demerger and/or the Restructuring.

5. **OTHER MATTERS**

5.1 Waiver



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prior to any Conversion Date, the Company (i) issues Equity Shares at a consideration per Equity Share that is lower than the Conversion Price, or (ii) issues other instruments that are convertible into or exchangeable for Equity Shares at a consideration per Equity Share on a fully converted basis (which for the avoidance of doubt includes any initial consideration payable in respect of such instruments and any additional consideration payable upon the conversion or exchange of such instrument into, or for, Equity Shares) which is less than the Conversion Price, the number of Conversion Shares shall be increased to such number as the Investor would receive upon dividing the Conversion Amount by such lower per Equity Share price.

- (b) New Issuances Below Anti Dilution Price (following full conversion of CCDs). If, subsequent to the full conversion of CCDs, the Company (i) issues Equity Shares at a consideration per Equity Share that is lower than the Conversion Price, or (ii) issues other instruments that are convertible into or exchangeable for Equity Shares at a consideration per Equity Share on a fully converted basis (which for the avoidance of doubt includes any initial consideration payable in respect of such instruments and any additional consideration payable upon the conversion or exchange of such instrument into, or for, Equity Shares) which is less than the Conversion Price (such proposed lower price is referred to as the "Lowest Offered Price"), the Investor shall be entitled to receive additional Shares from the Company such that the average subscription price of the Investor for all Shares (then held by the Investor) is reduced to the Lowest Offered Price (such additional shares, the "Additional Conversion Shares"). The Company shall (and the Sponsors shall procure that the Company shall) promptly issue such Additional Conversion Shares to the Investor in accordance with Paragraphs 4.5 and 5.2.
- (c) Corporate Action Adjustment. If, on or prior to any Conversion Date, there is a Corporate Action Event, the number of Conversion Shares shall be adjusted (if required) such that there is no dilution in the Investor's shareholding percentage in the Company on account of such Corporate Action Event.

4.5 Mechanics of Conversion.

- (a) Conversion Notice. In order to effect a conversion into Equity Shares, the Investor shall give written notice to the Company (the "Conversion Notice") in accordance with Clause 26 (Notices), of the election to convert and shall state therein the number of CCDs to be converted and the name or names in which the certificate or certificates for Equity Shares are to be issued. Upon receipt of the Conversion Notice, the Company shall (and the Sponsors shall procure that the Company shall) take all necessary actions (including obtaining all required Authorisations) to promptly issue the Conversion Shares to the Investor.
- (b) Conversion Date. Upon conversion of CCDs, the Investor shall surrender the certificate or certificates representing the CCDs to be converted at the address of the Company (as notified under Clause 26 (Notices) either at the time the Conversion Notice is given to the Company or, if the Conversion Notice is accompanied by a Conversion Request, after receipt by the Company of all Authorisations specified in the Conversion Request and after the taking of the corporate and/or shareholder proceedings or action specified in the Conversion Request (the date of such surrender, the "Conversion Date;" provided that if the



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“Conversion Shares”)

(expressed as a percentage): $(\text{Conversion Amount}) / (\text{Post Money Valuation}; \text{ and})$

“Relevant Share Capital” means the total number of Equity Shares (on a fully diluted basis) of the Company on the Relevant Date, *provided that*, any Equity Shares issued or proposed to be issued to the Investor on account of the conversion of CCDs will not be taken into account in determining the Relevant Share Capital.

For the purposes of this Agreement:

“Conversion Amount” means the consideration invested by the Investor in subscribing to the Preference Conversion Securities.

“Growth Shortfall Event” shall be deemed to occur if the PAT Growth for the Financial Year ending 31 March 2017 vis-à-vis the Adjusted PAT for the Financial Year ending 31 March 2016 is less than 25% (twenty five percent).

“Preference Conversion Securities” means the number of CCDs for which the number of Conversion Shares is being determined.

“Post Money Valuation” means $10.5 * \text{Adjusted PAT}$ for the financial year ending 31 March 2016.

Provided further that, (a) if there is a Growth Shortfall Event, the Post Money Valuation will be reduced by an amount equivalent to $10.5 * \text{Shortfall Amount}$; and (b) if there is a Growth Achievement Event, this proviso shall cease to apply.

“PAT Growth” means the increase in the Adjusted PAT of an identified financial year over the Adjusted PAT of another identified financial year, expressed as a percentage.

“Shortfall Amount” means the difference between (a) the Adjusted PAT for the financial year ending 31 March 2017; and (b) 125% (One hundred and twenty five percent) of the Adjusted PAT for the financial year ending 31 March 2016.

“Growth Achievement Event” shall be deemed to occur if the PAT Growth for the financial year ending 31 March 2018 vis-a-vis the Adjusted PAT for the financial year ending 31 March 2016; is at least 25% (twenty five percent) compounded annual growth rate.

“Conversion Price” means the Conversion Amount divided by the Conversion Shares.

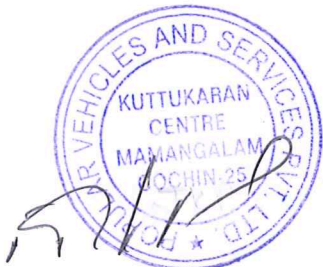
For the purposes of illustration, Appendix A contains a worksheet explaining how the Conversion Shares will be determined by the Expert.

4.4

Adjustment to Conversion Shares Based on Other Events.

To the extent permitted by applicable law:

- (a) New Issuances Below Anti Dilution Price (prior to full conversion of CCDs). If, on or



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3.2 In the event the economic priorities set forth in Paragraph 3.1 cannot be given full effect for any reason whatsoever, the following shall apply:

- (a) in the event the amount, if any, received by the Investor under Paragraph 3.1 is less than the Investment Amount, the other shareholders (except the Investor) shall, out of the amounts received by them, pay an amount to the Investor such that the Investor receives, in the aggregate, the Investment Amount due to it.
- (b) to the extent necessary to accomplish the preferences set forth in this Paragraph 3, each Shareholder (except the Investor) waives its respective rights and entitlements to its share in any payment pursuant to a liquidation and to the extent such payments are made to, or received by, any Shareholder, such Shareholder shall jointly and severally hold the payments received by it in trust for the Investor.

3.3 For the avoidance of doubt, in the event of a Winding Up, (a) each Equity Share held by the Investor shall rank ahead of the other Equity Shares i.e. have preference over any such other Equity Shares in case of a repayment of capital upon the Winding Up of the Company up to the Liquidation Preference Amount (for the avoidance of doubt, the liquidation preference in respect of the CCDs and Equity Shares shall, in the aggregate, be equal to the Liquidation Preference Amount); and (b) in the event the amount, if any, received by the Investor under Paragraph 3.2(a) is less than the Liquidation Preference Amount, the shareholders (other than the Investor) shall be required to pay the shortfall amount to the Investor only from funds received by them in connection with such Winding Up and shall not be required to contribute any additional funds to pay such shortfall amount to the Investor.

4. CONVERSION

4.1 Optional Conversion

The CCDs may be converted into Equity Shares at the option of the Investor at any time and from time to time, in whole or in part, on or after the Issuance Date but prior to the Mandatory Conversion Date. Any such conversion shall occur at the Default Conversion Method unless specifically provided otherwise herein.

4.2 Mandatory Conversion

If any of the CCDs have not been converted to Equity Shares on (i) the tenth anniversary of the Issuance Date; or (ii) the last date on which applicable law requires conversion of the CCDs in connection with an IPO (such date, the "Mandatory Conversion Date"), such remaining CCDs shall be automatically and compulsorily converted into Equity Shares as of the Mandatory Conversion Date in accordance with the Default Conversion Method.

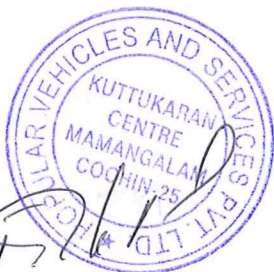
4.3 Default Conversion Method

On a Conversion Share Calculation Event, the Conversion Shares shall be determined as follows (the "Default Conversion Method"):

Number of Equity Shares to be issued upon conversion of any CCD (such Equity Shares, the

$$= \frac{\text{Relevant Share Capital}}{(1 - \text{Relevant Percentage}) - \text{Relevant Share Capital}}$$

"Relevant Percentage" is the following amount



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As of the Effective Date, if a Shareholder (other than the Investor) is entitled under any contract, requirement of applicable law or otherwise to participate in relation to any issue of Equity Shares to the Investor hereunder, then such Shareholder hereby waives all such rights and, to the extent it cannot waive such rights, it agrees not to exercise them.

5.2 All Required Actions.

- (a) In the event that applicable law prevents the Investor from receiving all Conversion Shares or Additional Conversion Shares (as the case may be) to which it is entitled pursuant to Paragraph 4, the Sponsors and the Company shall (and the Sponsors shall procure that the Company shall) provide all necessary assistance, co-operation and support to the Investor to identify and implement alternative arrangements such that the Investor is able to achieve the shareholding in the Company that it would have achieved, and the economic benefits it would have received, had it received all Conversion Shares and Additional Conversion Shares it is entitled to pursuant to Paragraph 4.
- (b) For the avoidance of doubt, it is clarified that all required actions to give effect to Paragraph 5.2(a) shall be consummated as simultaneously as practicable and the Parties will use their best efforts to place appropriate protection mechanisms in place (including but not limited to an escrow and the issue/ sale of Shares to the Investor at the Lowest Permissible Price) and implement all required actions such that Investor is able to achieve the shareholding in the Company that it would have achieved, and the economic benefits it would have received, had it received all Conversion Shares and Additional Conversion Shares it is entitled to pursuant to Paragraph 4.

5.3 Ensuring Full Economic Effect

If for any reason any of the provisions set forth herein cannot be given effect to in full as a result of any change in applicable law (including a change in applicable law that affects the price at which the Investor may sell or be issued Equity Shares) then each Party (other than the Investor) and the Company shall use its respective best efforts to take all such actions (by corporate, director or shareholder action) as may be necessary to provide to the Investor the same economic benefits as are contemplated herein.

5.4 Prompt Delivery of Accounts

The Company and the Sponsors shall cause the Expert of the Company to provide the audited financial statements of the Company for (a) the financial year ending 31 March 2016 within 90 (ninety) days from 31 March 2016; and (b) the financial year ending 31 March 2017 within 90 (ninety) days from 31 March 2017. The Company and the Sponsors hereby agree and undertake to provide full cooperation to the Investor and the Expert in relation to the same, including providing (i) the Expert with assistance by relevant management, professional advisers and accountants of the Company, and (ii) information relating to the Company in the manner required by the Expert, from time to time and upon the request by the Expert and/ or the Company.

6. **CALCULATION UNDER THIS SCHEDULE**

6.1 Calculations by the Expert



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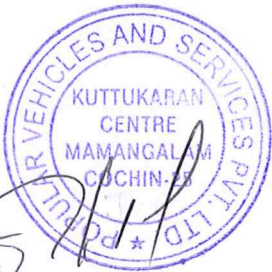
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All calculations under this Schedule 3 (*Terms and Conditions of the Investor Securities*) (including the Conversion Share Calculation, impact of adjustments pursuant to Paragraph 4, the Relevant Proportion Calculation, the Liquidation Calculation and the Dividend Calculation) shall be made by the Expert in writing upon request by the Investor on the occurrence of a Conversion Share Calculation Event. To the extent practicable, the Parties will take all actions to procure that the Expert promptly furnishes a written certificate or statement setting forth the relevant calculation(s) requested by the Investor.

6.2 Expert and Company Expenses

All fees, costs and expenses incurred in connection with the Expert's services under Paragraph 6.1 shall be borne by the Company, and each of the Parties shall provide all cooperation requested by the Expert to undertake any determination or calculation in relation to this Schedule 3 (*Terms and Conditions of the Investor Securities*). In the absence of manifest error, the determination and/or calculation of the Expert pursuant to Paragraph 6.1 shall be binding on the Parties. All fees, costs and expenses incurred in connection with the Company's compliance Paragraph 6.1 shall be borne by the Company.



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APPENDIX A

ILLUSTRATION: CALCULATION OF CONVERSION SHARES

Performance:

| Year | FY16 | FY17 |
|--------------|-------|-------|
| Adjusted PAT | 238.5 | 342.9 |

Calculation Methodology

| | |
|-------------------------------------|-----------------------|
| PAT FY16 (in mn inr) | 238.5 |
| PAT FY17 (in mn inr) | 342.9 |
| Growth in FY17 | 44% |
| Ratchet penalty | Nil (as growth > 25%) |
| P/E Multiple | 10.5 |
| Post-money equity value (in mn inr) | 2,503.99 |
| BT Investment (in mn inr) | 650 |
| BT Stake | 26% |



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SCHEDULE 4 | COMPANY COVENANTS

The Company shall, and where applicable in respect of a Group Company, shall procure:

1. GENERAL

- 1.1. Not register a transfer of Shares of the Company or a transfer of shares of any Group Company which is not in accordance with this Agreement.
- 1.2. Not undertake any change in corporate structure of the Company or any Group Company, except for the Restructuring and the Demerger.
- 1.3. Not make any change in and/or deviate from the Annual Business Plan and Budget.
- 1.4. Ensure that the Distribution Agreements are valid, subsisting and in force at all times prior to the termination of this Agreement in accordance with Clause 15 (*Termination*) and are renewed regularly, within the time limits prescribed under the respective Distribution Agreement.
- 1.5. Communicate any proposed amendment or breach of the terms of the Distribution Agreements to the Investor, along with copies of any written correspondence in relation to any such amendment or breach.
- 1.6. Shall provide with the stipulated time period, and as per the request of the Investor, all of the information required to be provided pursuant to Schedule 6 (*Information Rights*).

2. ANNUAL BUSINESS PLAN AND BUDGET

- 2.1. Shall, no less frequently than annually, prepare the Annual Business Plan and Budget, comprising a projected profit and loss account, balance sheet and cash flow statement, which shall include details of projected disbursements and programs for the projected Financial Year of the Company.
- 2.2. Shall deliver to the Investor a copy of the Annual Business Plan and Budget as approved by the Board prior to the beginning of each Financial Year.
- 2.3. No later than 30 (thirty) days prior to the end of each Financial Year, it shall present the Annual Business Plan and Budget at a meeting of the Board and a rolling 5 (five) year plan in a format similar to and consistent with the Annual Business Plan and Budget of the preceding Financial Year. In no event will the agreed Annual Business Plan and Budget be worse than the plan shared with bankers (like CMA data). The improvements wherever required, including improvement in working capital cycle, improved margins should be carried out to ensure the business plans are achieved.
- 2.4. If for any reason, the Board is unable to agree on the form or content of an Annual Business Plan and Budget by the last day of the preceding Financial Year, the Annual Business Plan and Budget for the preceding Financial Year will serve to guide the operation of the business of the Company and each item in the Annual Business Plan and Budget of the preceding Financial Year will be increased by 10% (Ten percent) for the current Financial Year.

3. ACCOUNTS/REPORTS



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- 3.1. The financial statements of the Company shall be prepared in accordance with Indian GAAP and shall present a true and fair view of the financial position of the Company as at the dates, and the results of operations and changes in financial position of the Company for the period(s) in respect of which they have been prepared subject in the case of quarterly and half yearly financial statements to normal year-end adjustments.
- 3.2. Any debtor of the Company (i) who has outstanding debts payable to the Company for more than a period of 3 (three) years and (ii) for which a provision of bad and doubtful debts has not been made in accordance with the Indian GAAP, shall be written off by the Company.
- 3.3. Shall, in consultation with the Investor, appoint one of the Big 5 Accounting Firms or any other reputed firm acceptable to the Investor as the new statutory auditor who shall audit the financial statements of the Company beginning from the Financial Year commencing on 1 April 2016.
- 3.4. Shall not change or terminate the appointment of its statutory auditor, except as required under applicable laws and with 90 (ninety) days advance written notice to the Investor of such proposed change or proposed termination.
- 3.5. Shall maintain, and the Sponsors shall cause the Company to maintain, the accounts at the Company's registered office and all such books and records shall be available to the Investor for inspection at the registered office, at the Company's sole cost and expense.
- 3.6. Shall, within 15 (fifteen) days from the end of every month in a financial year provide to the Investor (i) the summary of monthly management information systems ("MIS") reports of the Company, prepared in accordance with the format prescribed and provided by the Investor; (ii) a report in a form acceptable to the Investor, on the then applicable Annual Business Plan and Budget including a summary reconciliation of actual against budgeted figures of the Company; and (ii) summary report comprising the cash flow statement of the Company.
- 3.7. Shall, within 30 (thirty) days from the end of every 3 (three) months in a financial year, provide to the Investor (i) the unaudited quarterly results of the Company, prepared in accordance with the procedure and practices prescribed by the auditors of the Company and in accordance with the Act and other applicable laws; and (ii) a report in a form acceptable to the Investor, on the then applicable Annual Business Plan and Budget including a reconciliation of actual and forecast figures against budgeted figures of the Company.
- 3.8. Shall provide certified copies of the audited annual accounts of the Company prepared in accordance with the abovementioned procedures and practices in respect of the said Financial Year within 90 (ninety) days of completion of each financial year to the Investor.
- 3.9. Shall, upon the request of the Investor, provide the Investor and any of its representatives, with access to and permit inspection by them of the assets, premises, books and records of its subsidiaries (if any), in each case during normal business hours and upon reasonable written notice by email, fax or letter.
- 3.10. Shall provide an annual valuation certificate within 30 (thirty) days from the commencement of each Financial Year pursuant to a valuation undertaken in accordance with the procedure provided under Clause 16.3(d). For the avoidance of doubt, the first annual valuation certificate shall be provided to the Investor by or before 30 April 2016.



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- 3.11. Shall exercise all rights and powers available to it to procure that its accounts are prepared in accordance with the generally accepted accounting principles in India and that all relevant documents in connection therewith are maintained.
- 3.12. Shall exercise all rights and powers available to it to procure that its accounts correctly state its assets and liabilities and give a true and fair view of its state of affairs and of its profit and loss.
- 3.13. Shall exercise all rights and powers available to it to procure that its accounts contain either provision adequate to cover, or provide full particulars in notes of, all Tax (including deferred taxation) and other liabilities whether quantified, contingent or otherwise of the Company or any Group Company.

4. COMPLIANCE WITH LAW BY THE COMPANY AND LICENSES

- 4.1. Shall conduct its business in a manner consistent in all respects with applicable laws. The Company will adopt and comply with appropriate policies to ensure compliance with this paragraph 4.1.
- 4.2. Shall, without prejudice to the generality of the foregoing, have (to the extent practicable in the Company's name) at all times all licenses, registrations, permits and consents necessary under applicable laws and or otherwise to own and operate its assets and to carry on and conduct its business.

5. INTELLECTUAL PROPERTY COVENANTS

Shall:

- (a) make any registration and pay any fee or other amount which is necessary to keep the intellectual property rights which are material to the business of the Company in force;
- (b) record its interest in those intellectual property rights; and
- (c) take such steps as are necessary and commercially reasonable (including the institution of legal proceedings) to prevent third parties infringing those intellectual property rights.

6. CONVERSION

Shall ensure that at all times there shall be available, free from any Encumbrance, preemptive or other similar rights, such number of Conversion Shares as would under the Transaction Documents or constitutional documents of the Company be required to be issued to the Investor on conversion of the outstanding CCD on the Conversion Date in accordance with Schedule 3 (*Terms and conditions of the Investor securities*) and shall ensure that (i) the Company or its registrar and transfer agent will register the Investor as the holder of the relevant amount Conversion Shares and (ii) all such Conversion Shares will be duly and validly issued as fully-paid and non-assessable and shall rank *pari passu* with and be fully fungible with other securities of the same class then outstanding.

7. DIVIDEND



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7.1. Shall, subject to applicable laws, declare an annual dividend payable to the Shareholders in proportion to the respective Equity Shares held by them on a fully diluted basis. For avoidance of doubt, it is hereby clarified that for the purpose of dividend distribution, the Shareholding Percentage of the Investor shall be determined in accordance with Schedule 3 (*Terms and conditions of the Investor securities*).

7.2. shall ensure that the Investor receives all dividend and distributions made to equity shareholders of the Company, in proportion to its shareholding in the Company and on an as-if converted basis.

8. FINANCIAL COVENANTS

Shall maintain the following ratios:

| RATIO | FY16 | FY17ONWARDS |
|---------------|------|-------------|
| Debt / EBITDA | <4 | <4 |
| Debt/ Equity | <2 | <2 |

For the purpose of this covenant, the following definitions apply:

“Debt” means, at any time, the outstanding loans payable on redemption by the Company, as applicable, (on a consolidated basis).

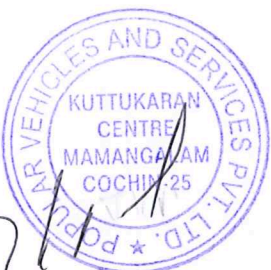
“EBITDA” means the sum of the Company's, net income, (on a consolidated basis):

- (a) financing costs paid in respect of any Debt (minus to the extent included in net income, financing costs earned);
- (b) taxes;
- (c) depreciation and amortisation; and
- (d) other finance non-cash charges

for the period of one year prior to the last day of each financial quarter.

“Equity” means at any time the aggregate of:

- (a) the amounts paid up or credited as paid up on the issued ordinary share capital of the Company;
- (b) any outstanding amount against equity instruments including compulsorily convertible debentures, compulsorily convertible preference shares and equity warrants;
- (c) any amount credited to the share premium account of the Company, as applicable; and



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(d) any retained earnings of the Company.

9. OBLIGATIONS IN RESPECT OF KEY MANAGERIAL PERSONNEL

9.1. Shall procure that the Key Managerial Personnel:

- (a) comply with the terms of their employment contracts entered into by him with the Company;
- (b) remain employed with the Company throughout the term of this Agreement;
- (c) be required to devote their substantial time and attention to the business and operations of the Company; and
- (d) shall not, directly or indirectly, be engaged with any Person who is a competitor of the Company.

10. TERMINATION OF KEY MANAGERIAL PERSONNEL

Subject to Clause 9.1(b) read with Schedule 5 (*Protective Matters*), prior to terminating the services of any Key Managerial Personnel, the Company or the Group Company (as applicable) will consult with the Investor and give reasonable prior notice to the Investor of its intention to terminate the services of the aforesaid persons

11. ENVIRONMENTAL AND SOCIAL COMPLIANCE

- 11.1. Shall comply with environmental laws and procure and maintain permits, authorisations and approvals required under any environmental laws as applicable to them and comply with their requirements;
- 11.2. In the event of occurrence of any mishap of any kind or fatality at any of the business units of the Company, the Company shall within 48 (forty eight) hours of occurrence of such incident give a notice setting out the details of such incident to the Investor.
- 11.3. Shall at all times ensure implementation and compliance with the Environment and Social Action Plan.

12. AMENDMENTS TO DOCUMENTS

- 12.1. The Company shall amend the Constitutional Documents as required to ensure the legality, validity, enforceability or admissibility in evidence, of any Transaction Document.
- 12.2. The Company shall not amend the Constitutional Documents or enter into any agreement with any Shareholder of the Company without the prior approval of the Investor.

13. MAINTENANCE OF OWNERSHIP AND CONTROL

Subject to the provisions of this Agreement:

- (a) the Sponsors shall at all times hold at least 51% (fifty one percent) of the issued, subscribed and paid-up equity share capital and voting rights in the Company, on a fully diluted basis;



- (b) at all times hold 98.52% (ninety eight point fifty two percent) of the total issued and paid-up equity share capital and voting rights in the Company on a fully diluted basis;
- (c) the Sponsors shall at all times be in Control of the Company; and
- (d) the Sponsors shall not Transfer any of the Equity Shares.

14. UNSECURED LOANS

- 14.1. No payments shall be made towards dues on account of loans from the Sponsors.
- 14.2. Interest on unsecured loans shall accrue but shall not be paid and no loans from Related Parties or unsecured loans from Third Parties shall be repaid without the consent of the Investor so long as the Investor is a Shareholder in the Company.

15. CORPORATE COMPLIANCE

- 15.1. Keep properly all statutory books and registers including the register of members of the Company and the Group Companies.
- 15.2. Correctly make up, duly file and/or deliver all returns and particulars, resolutions and other documents that the Company and the Group Companies are required by law to file with or deliver to any Governmental Authority.
- 15.3. Keep full minutes of meetings of the board of directors of the Company and the Group Companies and meetings of any committee of the board of directors of the Company and the Group Companies including details of the directors in attendance, the matters discussed and the resolutions tabled.
- 15.4. Not undertake any action or omit to do any action that would result in jeopardising the Investor's ability to invest in the Company pursuant to any law including the provisions of the Foreign Direct Investment Policy of the Government of India, the Foreign Exchange Management Act, 1999 and any rules and regulations or circulars issued thereunder.

16. TAXES

- 16.1. Timely file or cause to be filed all tax returns required by applicable laws to be filed by it and shall timely pay all Taxes, assessments and other government charges levied upon it or any of its properties, assets, income or franchises that are due and payable, unless such Taxes or charges are being contested in good faith by appropriate proceedings diligently conducted for which adequate reserves are maintained on the books of the Company.
- 16.2. Exercise all rights and powers available to it to procure that all Tax of any nature whatsoever for which the Company or any Group Company is liable and which has fallen due for payment is duly paid or properly contested before the appropriate Governmental Authorities.
- 16.3. Exercise all rights and powers available to it to procure that all notices, computations and returns are properly and duly submitted by the Company or any Group Company to the relevant Tax authorities and all information, notices, computations and returns submitted to such authorities are true, accurate and complete and that all records which the Company or



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any Group Company is required to keep for Taxation purposes or which would be needed to substantiate any claim made or position taken in relation to Taxation by the Company or the relevant Group Company are duly kept and are available for inspection at the premises of the Company or the relevant Group Company.

17. APPOINTMENT OF A COMPLIANCE OFFICER

Employ a suitably qualified company secretary or other person qualified under applicable law to act as a compliance officer and assist with the Company and each Group Company's compliance with applicable law, including but not limited to: (i) maintaining accurate and up to date statutory records; (ii) ensuring that the Company and each Group Company is in full compliance with applicable employment regulations in India; and (iii) ensuring that the establishments from which the Company and each Group Company conducts its business is in full compliance with licensing, safety and other applicable work place requirements in India.

18. INSURANCE

18.1. Maintain insurance policies in a sufficient amount and with such coverage as are (i) generally maintained by companies in the same industry; and (ii) where applicable, the Company and each Group Company shall maintain insurance which is in accordance with any insurance coverage requirements set out in a contract to which it is a party (or by which it is bound). Notwithstanding the generality of the foregoing, such policies shall be sufficient to cover liabilities in relation to product liabilities, environmental liabilities, fire or acts of God that the facilities of the Company and each Group Company could be subject to and such other liabilities which the Company and each Group Company may in the reasonable opinion of the Investor be considered at risk in the course of their respective businesses.

18.2. Shall procure suitable directors and officers insurance for all the Directors and senior officers of the Company and each Group Company, which insurance shall be in a sufficient amount and with such coverage as is reasonably required by the Investor.

18.3. Shall procure in respect of the Group Companies:

- (a) promptly supply to the Investor on request copies of any insurance policy required to be maintained by it; and
- (b) ensure that the insurance premium or any renewal fee or other sum payable by the Company and each Group Company is paid when due.

18.4. to terminate and shall procure that each Group Company terminates all arrangements pursuant to which any insurance commission received by the Company or Group Company is booked to the accounts of its directors, and all such insurance commission should be exclusively to the account of the Company or the relevant Group Company.

18.5. The Sponsors and the Company to procure that the insurance commission receivable by each of the Company, Vision Motors Private Limited and Popular Autoworks Private Limited is only to the account of the Company, Vision Motors Private Limited and Popular Autoworks Private Limited, respectively, and not to their respective directors.

19. RELATED PARTY TRANSACTIONS



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19.1. Ensure that:

- (a) Any and all agreements, contracts or similar arrangements between the Company or a Group Company and Related Parties (each, a "Related Party Transaction") shall (i) be on an arms' length basis, (ii) not be unlawful or illegal, and (iii) be as per the prevalent market standards and practices for industries engaged in a business similar or identical to the Business. All material information relating to any such Related Party Transactions proposed to be undertaken by the Company or a Group Company shall be disclosed by the Company to the Board, within 15 (fifteen) days of their being proposed and before any final decision is taken in relation to the transaction.
- (b) Shall ensure that the Investor, with respect to any Related Party Transaction, shall have the sole and exclusive right to cause the Company or the Group Company to approve, amend and/or modify any such Related Party Transaction if such Related Party Transaction is (i) not on an arm's length basis; (ii) unlawful or illegal, or (iii) is not as per the prevalent market standards and practices for industries engaged in a business similar or identical to the Business. Furthermore, the Investor, with respect to any Related Party Transaction, shall have the sole and exclusive right to cause the Company or a Group Company to enforce any such Related Party Transaction (including the exercise of any rights in accordance with the terms of the agreement) thereunder with sufficient cause.
- (c) Shall ensure that any right of action which the Company or a Group Company may have in respect of breach of any Related Party Transaction may be prosecuted by the Investor Director (with respect to any Related Party Transaction), provided such Investor Director acts in good faith. The Investor Director shall have full authority on behalf of the Company or a Group Company (as applicable) to negotiate, litigate and settle any claim arising out of the breach or exercise any right of termination arising out of the breach of such Related Party Transaction, and the Sponsors, the Company and the Group Companies shall take all steps within their power to give effect to this provision.
- (d) Shall ensure that the Investor shall have the right to require the Company or Group Company (as applicable) to terminate, without cost or liability to the Company or a Group Company or the Investor, any such Related Party Transactions upon a breach or default under any such agreement.
- (e) Subject to applicable law, all related party loans granted to the Company or any of the Group Companies shall carry 0% (zero percent) interest. Notwithstanding anything in this Agreement, the liquidation preference for any such related party loans shall not have priority to the CCDs, and in any case, shall only arise upon the Investor completely exiting its investment in the Company (in any manner whatsoever).
- (f) There shall be no change in the terms of leases executed between Related Parties in relation to the Business without the prior written consent of the Investor.

20. COMPLIANCE WITH ANTI-MONEY LAUNDERING LAWS AND ANTI-CORRUPTION LAWS

Shall, and it shall procure in respect of the Group Companies that the Company and the



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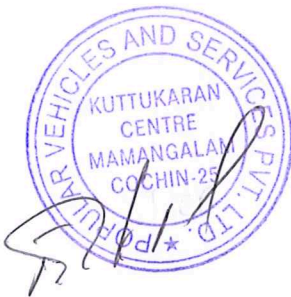
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Group Companies conduct the Business in compliance with Anti-Money Laundering Laws and Anti-Corruption Laws.

21. MISCELLANEOUS

- 21.1. Shall organise review meetings in the first week of every month with the Investor or its representatives to review the performance of the Company.
- 21.2. Shall not be any disposition of any interest in, or interest of the Company or the Group Companies without the prior written consent of the Investor.



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SCHEDULE 5 | PROTECTIVE MATTERS

1. Adoption of, and any material supplement to, material revision of, or material departure from the Annual Business Plan and Budget, including by means of commencing any new business or ceasing any existing business activity;
2. in respect of the Company or any Group Company: changing the scope or nature of their business; commencing any new business operation; or change in the business practice;
3. any share capital adjustment, fund raising or effecting a public offering of any securities of the Company or any Group Company, or listing or delisting any securities of the Company or any Group Company on or from any stock exchange (including taking any steps to initiate any of the foregoing actions e.g. appointment of advisors / merchant bankers to assist with a public offering, approving the timing, structure, pricing and other details relating to or any other actions leading to any such public offering);
4. effecting any change in the Company's or any Group Company's Financial Year, Tax policies and/or accounting policies, except as required under applicable laws;
5. instituting or settling any legal or arbitration proceedings which involves or might involve an amount (including related costs) of more than INR 5,000,000 (Indian Rupees Five million);
incurring any capital expenditure in excess of INR 10,000,000 (Indian Rupees ten million) other than as permitted under the Annual Business Plan and Budget;
6. adoption of the annual audited accounts of the Company and any Group Company;
7. declaring any dividend or making any payment or other Distribution to the shareholders of the Company (other than any Distributions which are in line with any dividend policy previously approved by the Board with the consent of the Investor);
8. transferring or disposing of any material asset of any Group Company (for purposes of this paragraph 8, "material asset" shall include (i) assets, individually or in the aggregate, having a book value or market value of INR 2,500,000 (Indian Rupees two million five hundred thousand); (ii) Intellectual Property; (iii) any interests (including the right to use) in a real property; and/or (iv) any shares or other securities of a Group Company);
9. causing any Group Company to (i) commence any case, proceeding or other action (A) under any bankruptcy, insolvency or similar law seeking to have an order of relief entered with respect to it or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganisation, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or all or any substantial part of its property, (ii) make a general assignment for the benefit of its creditors or (iii) admit in writing its inability to pay its debts when they become due;
10. any transactions including amendments and modifications of existing arrangements between (i) Sponsor and affiliate on one hand (ii) group company on the other hand;
11. borrowing money or incurring any indebtedness, including providing any guarantees (whether or not such guarantees are disclosed in the balance sheets of the Company or the any Group Company), indemnities or any contingent liabilities in excess of INR 2,500,000



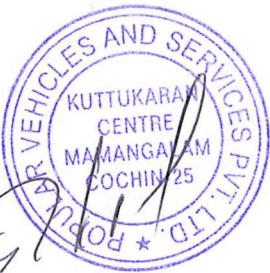
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(Indian Rupees two million five hundred thousand) and the grant of any such indebtedness not permitted under the Annual Business Plan and Budget and/ or the grant of security to any Person over the whole or any part of the assets of the Company and the Group Companies;

12. approving the terms of appointment and/ or removal of any Key Managerial Personnel, in manner satisfactory to the Investor;
13. any amendment to any Distribution Agreement;
14. causing or permitting any Group Company to enter into, amend or terminate any arrangements or transactions with any Related Party;
15. causing the Company or any Group Company to (i) undertake any acquisition of a Third Party or investment in a Third Party (including acquisition of shares), (ii) form any joint-ventures or partnership with any Person or (iii) investing in or advancing loans or providing any form of credit support in any Financial Year or investments in equity instruments and disposal of equity shares or equity linked instruments, other than any credit in the normal course of business of the Company or any Group Company; and
16. entering into any arrangement, agreement or commitment in relation to any of the matters listed in paragraphs 1 to 15 above.



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SCHEDULE 6 | INFORMATION RIGHTS

1. The Company shall give the Investor quarterly, semi-annual and audited annual access to all financial statements (profit and loss account, cash flow statement, balance sheet and a review of business operations) and monthly business operation numbers and such reasonable information as the Investor may from time to time request to the Company in a timely manner and in such reasonable format as may be specified by the Investor. Such information shall be provided to the Investor forthwith upon the request made by the Investor.

2. The Company shall, and the Sponsors shall cause the Company to, promptly inform the Investor of the circumstances and conditions which are likely to disable the Company from implementing the Annual Business Plan and Budget or which are likely to delay the achievement of the results of operation contemplated thereby.

3. The Sponsors and/ or the Company shall, within 15 (fifteen) Business Days, notify the Investor in writing of:
 - (a) any actions, suits, proceedings, investigations, litigation, arbitration or administrative proceedings of any kind in any court or before any arbitrator or any other Government Authority that are filed against the Sponsors, the Company and/ or any Group Company other than any such actions where amounts claimed do not exceed INR 10,000,000 (Indian Rupees ten million);
 - (b) any action or of any steps taken or legal proceedings started against the Sponsors, the Company and/ or any Group Company, for winding up, dissolution or reorganisation, insolvency, the enforcement of any Encumbrance over any material part of its assets or for the appointment of any receiver, administrative receiver, administrator, trustee of any material part of any or all of its assets or revenues other than assets or revenues not exceeding INR 10,000,000 (Indian Rupees ten million);
 - (c) occurrence of a Material Adverse Effect;
 - (d) any breach of any Warranties extended by the Sponsors and/ or the Company or the potential breach of any Warranties extended by the Sponsors and/ or the Company;
 - (e) all public announcements made by the Company with any Governmental Authority prior to its IPO and all public announcements and filings made by the Company with any Recognised Stock Exchange post the IPO; and
 - (f) any event which constitutes (with the giving of notice, lapse of time, determination of materiality or satisfaction of other conditions, would be likely to constitute) an Event of Default and steps being taken to rectify the same.

4. The Company must notify the Investor of any material change to the manner in which its audited consolidated financial statements are prepared in any event at least 30 (thirty) days prior to the delivery of such audited consolidated financial statements in accordance with this Agreement.

5. If requested by the Investor, the Company must supply to the Investor:



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- (a) a full description of any material change;
- (b) sufficient information to enable the Investor to make a proper comparison between the financial position shown by the set of financial statements prepared on the changed basis and its most recent audited consolidated financial statements delivered to the Investor under this Agreement; and
- (c) within 15 (fifteen) days from any request to such effect by the Investor, a set of financial statements prepared on the changed basis.

If no agreement is reached under paragraph (b) above on the required amendments to the financial statements, the Company must ensure that its auditors certify those amendments, which in the absence of manifest error, will be binding on all the parties.

6. The Company shall provide the following to the Investor:

- (a) Within 10 (ten) days of the first day of each month, internal management reports on the business activities and performance of the Company and each Group Company made up to and as at the end of the previous month (which shall include such additional information as is reasonably required by the Investor and notified to the Board or the management team of the Company);
- (b) Within 30 (thirty) days of the first day of each Quarter, unaudited financial statements (including a provisional unaudited balance sheet, income statement and statement of cash flows) of the Company and each Group Company made up to and as at the end of the previous Quarter (which shall include such additional information as is reasonably required by the Investor and notified to the Board or the management team in writing, including (i) notes on any significant operational issues; and (ii) a summary of the progress against the relevant Annual Business Plan and Budget covering items including (A) actual financial results versus the forecasted financial results; (B) actual capital expenditure versus forecasted capital expenditure; and (C) progress against business development targets and the Company's and each Group Company's compliance with the relevant Annual Business Plan and Budget);
- (c) Immediately upon the opening of any new bank account of the Company or any Group Company;
- (d) Immediately upon receipt of a request of the Investor and from time to time as may be required by the Investor, the Company shall provide full access to its accounting systems to the Investor and/or its representatives;
- (e) Within 7 (seven) days of receipt of the MIS Format, the Company shall provide to the Investor all information required to be provided under such MIS Format;
- (f) Promptly after the occurrence of any material acquisition, disposition or restructuring or any key management persons changes of the Company or any of the Group Companies, or the commencement of any material suit, claim, action or investigation involving the Company or any of the Group Companies, a report containing a description of such event; and
- (g) Within 90 (ninety) days of the end of a Financial Year to which they relate, annual



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audited accounts of the Company and each Group Company (including (i) an audited balance sheet, income statement and statement of cash flows; and (ii) details of the Adjusted PAT for the relevant Financial Year).



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SCHEDULE 7 | IDENTIFIED LEASED PROPERTIES

| | | |
|----------------------|--|----------------------------|
| Elamakkara, Kochi | Property owned by PVSL where the Service Centre is Operating | Area of Land 282.942 Cents |
| Trivandrum-Show Room | Property Owned by PVSL where the Trivandrum Show Room is operating | Area of Land 47 Cents |
| Trivandrum Service | Property Owned by PVSL where the Trivandrum Service is operating | Area of Land 81 Cents |



JLD

AKD Hanan



IN WITNESS WHEREOF each Party has executed this Agreement, or caused this Agreement to be executed by its duly authorised representatives.

SIGNED for and on behalf of)
POPULAR VEHICLES AND SERVICES)
PRIVATE LIMITED)

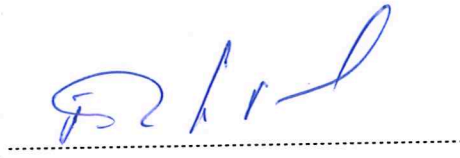
For Popular Vehicles & Services Pvt.Ltd.



John K. Paul)
(Authorised signatory))
Managing Director)



EXECUTED by)
MR. JOHN K. PAUL)



EXECUTED by)
MR. FRANCIS K. PAUL)



EXECUTED by)
MR. NAVEEN PHILIP)

