



**CHALLAN**  
**MTR Form Number-6**

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<b>Department</b>	Inspector General Of Registration			<b>Payer Details</b>					
<b>Type of Payment</b>	Non-Judicial Stamps General Stamps SoS Mumbai only			<b>TAX ID (If Any)</b>					
<b>Office Name</b>	AOM_SBR AND ADM OFF MUMBAI CITY			<b>PAN No. (If Applicable)</b>	AAACC8962C				
<b>Location</b>	MUMBAI			<b>Full Name</b>	CONCORD ENVIRO SYSTEMS PRIVATE LIMITED				
<b>Year</b>	2015-2016 One Time			<b>Flat/Block No.</b>	101 HDIL TOWER				
<b>Account Head Details</b>		<b>Amount In Rs.</b>	<b>Premises/Building</b>						
0030056201	General Stamps	600.00	<b>Road/Street</b>	ANANT KANEKAR MARG BANDRA EAST					
			<b>Area/Locality</b>	MUMBAI					
			<b>Town/City/District</b>						
			<b>PIN</b>	4	0	0	0	5	1
			<b>Remarks (If Any)</b>						
			<b>Amount In</b>	Six Hundred Rupees Only					
<b>Total</b>	600.00		<b>Words</b>						
<b>Payment Details</b>	IDBI BANK			<b>FOR USE IN RECEIVING BANK</b>					
<b>Cheque-DD Details</b>			<b>Bank CIN</b>	<b>REF No.</b>	69103332015080511515	68955255			
<b>Cheque/DD No</b>			<b>Date</b>	05/08/2015-14:13:33					
<b>Name of Bank</b>			<b>Bank-Branch</b>	IDBI BANK					
<b>Name of Branch</b>			<b>Scroll No. , Date</b>	Not Verified with Scroll					

Mobile No. : 9867839000

This stamp paper forms an integral part of the shareholder's Agreement dated 7<sup>th</sup> August, 2015 executed by and amongst concord Enviro Systems Private Limited, Mr. Prerak Goel, Mr. Prayas Goel and AF Holdings

**SHAREHOLDERS' AGREEMENT**

**BY AND AMONGST**

**CONCORD ENVIRO SYSTEMS PRIVATE LIMITED**

**AND**

**MR. PRERAK GOEL**

**AND**

**MR. PRAYAS GOEL**

**AND**

**AFHOLDINGS**

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## SHAREHOLDERS AGREEMENT

THIS SHAREHOLDERS' AGREEMENT ("AGREEMENT") IS EXECUTED ON THIS THE 7<sup>th</sup> DAY OF AUGUST, 2015 ("EXECUTION DATE"),

### By and Amongst

1. **Concord Enviro Systems Private Limited**, a company incorporated under the Companies Act, 1956 as a private limited company and having its registered office at 101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400051, Maharashtra, India (hereinafter referred to as the "**Company**");

And

2. **Mr. Prerak Goel**, an adult Indian national, aged about 36 years, and presently residing at 1001 Eben Ezer, Tagore Road, Santacruz West, Mumbai – 400054, Maharashtra, India, (hereinafter referred to as "**Promoter 1**");

And

3. **Mr. Prayas Goel**, an adult Indian national, aged about 38 years, and presently residing at 1101 Eben Ezer, Tagore Road, Santacruz West, Mumbai – 400054, Maharashtra, India, (hereinafter referred to as "**Promoter 2**");

And

4. **AFHoldings**, a company organized under the laws of Mauritius, and having its principal place of business at c/o Trident Trust Company (Mauritius) Limited, 5<sup>th</sup> Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius (hereinafter referred to as the "**Investor**").

Promoter 1 and Promoter 2 are hereinafter, where the context so permits, referred to individually as a "**Promoter**" and together as the "**Promoters**."

The Company, the Promoters and the Investor are hereinafter, unless the context otherwise permits, referred to individually as "**Party**" and collectively as "**Parties**."

### WHEREAS:

1. The Company is a private limited company incorporated under the Act (as defined hereinafter) and is engaged in the business of providing environmental engineering solutions with focus on wastewater treatment and recycling, desalination and industrial solid waste management ("**Business**"), either directly or through its Subsidiaries.
2. The Company, the Promoters and the Investor have entered into a share subscription agreement concurrently with the execution of this Agreement (the "**Subscription Agreement**" or the "**SSA**"), pursuant to which the Company shall issue and allot such number of Series A CCPS (the "**Subscription Shares**") to the Investor as set forth therein. Further, the Investor has also entered into the IWWTC Share Purchase Agreement (as defined in the SSA) and the Promoter Share Purchase Agreement (as defined in the SSA) pursuant to which the Investor

has agreed to acquire the Purchase Shares (as defined hereinafter) from India Waste Water Treatment Company and the Promoters, respectively.

3. The authorized share capital of the Company is INR 42,50,00,000 (Rupees Forty Two Crores and Fifty Lakhs only) and consists of 50,000 (Fifty Thousand) Equity Shares of a face value of INR 100/- (Rupees One Hundred only) each and 4,20,000 (Four Lakh Twenty Thousand) preference shares of a face value of INR 1000/- (Rupees One Thousand only) each. The issued and paid-up capitalisation of the Company as on the Execution Date (on a Fully Diluted Basis) is set out in Part A of **SCHEDULE 2**. The issued and paid-up capitalisation of the Company as on the Closing Date (on a Fully Diluted Basis) is set out in Part B of **SCHEDULE 2**.
4. The Parties enter into this Agreement to provide for their respective rights and obligations regarding the terms and conditions relating to the Investor Shares, management of the Company and the Subsidiaries and certain other rights and obligations as set forth herein.

**NOW, THEREFORE** in consideration of the representations, promises and mutual covenants and agreements set forth herein, and for good and other valuable consideration, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions.

Capitalized terms as used in this Agreement shall have the meanings (a) as indicated in this Clause 1.1, or (b) if not defined in this Clause 1.1, as ascribed to such terms in the other parts of this Agreement where indicated, or (c) if not defined herein, as ascribed to such terms in the SSA:

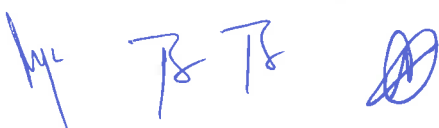
- 1.1.1. "**Act**" means (i) the (Indian) Companies Act, 2013 (to the extent notified on the relevant date) and (ii) the (Indian) Companies Act, 1956 (to the extent enforceable on the relevant date) and wherever applicable, the rules framed thereunder and any subsequent amendment or re-enactment thereof for the time being in force.
- 1.1.2. "**Action Plan**" means the plan made and mutually agreed between the Investor and the Promoters attached under **SCHEDULE 5**, which sets out the specific environmental, social, labour, health and safety or security and environmental measures to be undertaken by the Company and the Subsidiaries, to enable the Business of the Company and/ or the Subsidiaries to be equipped, operated and undertaken in compliance with the Performance Standards and which shall be revised in accordance with Clause 9.11 on an annual basis.
- 1.1.3. "**Affiliate**" in relation to a Person:
  - (a) being a corporate entity, means any entity or Person, which controls, is controlled by, or is under the common control of such Person;
  - (b) being an individual, means any entity or Person, which is controlled by such individual or a Relative of such individual;
  - (c) in the case of the Investor, without prejudice to the generality of the foregoing, shall include its respective limited partners and any fund or investment vehicle owned,



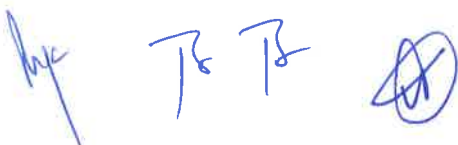
managed, advised, controlled or promoted by the Investor (as the case maybe) or by its respective Affiliates, investment managers or investment advisors;

For the avoidance of doubt, a Competitor shall, under no circumstances be capable of being classified as an Affiliate of any Party/Parties to any of the Transaction Documents.

- 1.1.4. **"Agreed ESOP"** shall have the meaning ascribed to it in Clause 10.1.
- 1.1.5. **"Agreement"** means this Shareholders' Agreement entered into by the Parties as may be amended from time to time and shall include all the Schedules, Annexures and Exhibits to this Agreement.
- 1.1.6. **"Applicable S&E Law"** means all applicable Laws and Consents of applicable Governmental Authorities setting standards/measures concerning environmental, social, labor, health and safety or security risks, including of the type specified in the Action Plan or imposing liability for the breach thereof.
- 1.1.7. **"Articles"** means the articles of association of the Company, as amended from time to time.
- 1.1.8. **"Big 4 Accounting Firms"** means the Indian affiliate(s) of Pricewaterhouse Coopers, KPMG, Ernst & Young and Deloitte, Haskins & Sells and/or their associated chartered accountancy firms.
- 1.1.9. **"Board"** means the board of directors of the Company as constituted from time to time.
- 1.1.10. **"Business"** shall have the meaning ascribed to it in Recital A.
- 1.1.11. **"Business Day"** means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Mumbai, India and Mauritius, in the context of a payment being made to or from a bank in a place other than Mumbai, India or Mauritius, in such other place.
- 1.1.12. **"Closing"** shall have the meaning ascribed to it in the SSA, which shall include Closing, as such term has been defined under each of the IWWTC Share Purchase Agreement and the Promoter Share Purchase Agreement.
- 1.1.13. **"Closing Date"** shall have the meaning ascribed to it in the SSA.
- 1.1.14. **"Competitor"** means any Person (resident in any part of the world), other than a Financial Investor, who derives at least 20% of its revenues on a stand-alone or consolidated basis from a business which is the same as the Business of the Company and/ or the Subsidiaries, and where such revenues are equal to or more than 75% of the consolidated revenues of the Company and the Subsidiaries as reflected in the financial statements for Financial Year immediately preceding the date of determination.
- 1.1.15. **"Consent"** means any permit, permission, license, approval, authorization, consent, clearance, waiver, no objection certificate or other authorization of whatever nature and by whatever name called, which is required to be granted by any Person, including any Governmental Authority.



- 1.1.16. "**Conversion Shares**" means the Equity Shares issued upon conversion of Series A CCPS in the manner described in Clause 3.
- 1.1.17. "**Corporate Action Event**" means any share split, bonus issue, stock dividend, consolidation, recapitalization or recombination affecting the Equity Securities and any other transaction having the effect of any of the foregoing.
- 1.1.18. "**Deed of Adherence**" means the deed of adherence in the form set forth in **SCHEDULE 1**.
- 1.1.19. "**Director**" means a director on the Board from time to time.
- 1.1.20. "**Employees Stock Option Plan**" or "**ESOP**" means any employee stock option plan (including the Agreed ESOP) as formulated by the Company and approved by the Board of the Company and applicable, inter alia, to the employees, including those in the Key Management Team of the Company and its Subsidiaries, if any, and to such other persons as are eligible, under applicable Law to receive such options.
- 1.1.21. "**Encumbrance**" means any mortgage, pledge, equitable interest, assignment by way of security, hypothecation, claim, security interest, title defect, title retention agreement, voting trust agreement, option, lien, charge, restriction or limitation of any nature whatsoever (including any restriction or limitation imposed by way of court orders, interim awards, injunctions or any similar order or ruling issued by a Governmental Authority or other judicial / quasi-judicial authority, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement) the purpose of, or which has the effect of, granting security, or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise.
- 1.1.22. "**Equity Securities**" means Equity Shares, preference shares, including, but not limited to, Series A CCPS, any other security in the share capital of the Company, debentures or any note or debt security having or containing equity or profit participation features, or any option, warrant or other security or right which is directly or indirectly convertible into or exercisable or exchangeable for Equity Shares of the Company.
- 1.1.23. "**Equity Shares**" means the equity shares in the issued, subscribed and paid up equity share capital of the Company, having a face value of INR 100 each.
- 1.1.24. "**Exempted Issuances**" means any of the following: (i) any Equity Securities issued to the Company's officers, employees, directors and other service providers pursuant to any ESOP or any other stock option plan approved by the Board of the Company, including the Investor Nominee Director, if any; (ii) any Equity Securities actually issued upon the exercise of options or upon the conversion or exchange of convertible securities, including the Series A CCPS or warrants, in each case provided such issuance is pursuant to the terms of such option, convertible security or warrant; (iii) any Equity Securities issued pursuant to a transaction described in Clause 3.5.8(b) hereof; (iv) any Equity Securities issued in an IPO; (v) any Equity Securities issued pursuant to a capital restructuring such as a merger, amalgamation, acquisition, etc.; and (vi) any Equity Securities issued to the Investor pursuant to the anti-dilution protection provisions set forth in Clause 3.5.8.

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- 1.1.25. **"Exit Period"** means a period commencing on expiry of 60 (Sixty) months from the Closing Date and expiring after expiry of 84 (eighty-four) months from the Closing Date;
- 1.1.26. **"Fair Market Value"** means the equity valuation of the requisite Equity Securities determined by a Valuer and/ or a Third Valuer in accordance with the provisions of Clause 26.3 below.
- 1.1.27. **"Financial Investor"** means any asset management companies, private equity/ venture capital entities (whether incorporated as limited liability partnerships, trusts or companies or otherwise), mutual funds, proprietary funds, financial institutions, banks (nationalized or otherwise and domestic or international) and foreign institutional investors who are normally engaged in the business of investing for purely financial returns, provided that where such Financial Investor is controlled by a Competitor or where such Financial Investor is in control of a Competitor, shall not be considered a Financial Investor.
- 1.1.28. **"Financial Year"** means the financial year of the Company, commencing on April 1 every year and ending on March 31 of the following year, or such other financial year of the Company as the Company may from time to time legally designate as its financial year.
- 1.1.29. **"Fully Diluted Basis"** means that the calculation of shareholding is to be made assuming that (i) all Equity Securities (whether or not by their terms then currently convertible, exercisable or exchangeable), and all outstanding commitments to issue Equity Shares, membership or ownership interests, at a future date whether or not due to the occurrence of an event or otherwise, have been so converted, exercised or exchanged, (ii) that all unallocated options reserved for issuance under any ESOP have been issued and exercised and (iii) all partly paid Equity Shares (if any) have been fully paid-up.
- 1.1.30. **"Government"** or **"Governmental Authority"** means any government, statutory authority, any department, agency or instrumentality of any government, any court, tribunal or arbitral tribunal, board and the governing body of any securities exchange or Stock Exchange(s).
- 1.1.31. **"Identified Terms"** means the following:
- (a) Lock-in (Clause 4.2.1);
  - (b) Failure of the Promoters to purchase the Offered Securities within the Purchase Period in accordance with the provisions of Clause 4.2.5 hereof;
  - (c) Pre-emptive right of the Investor (Clause 6);
  - (d) Anti-Dilution (Clause 7) except where such right of the Investor is incapable of being exercised as a result of applicable Law;
  - (e) No solicitation (Clause 9.2);
  - (f) Non-compete (Clause 9.3);
  - (g) Anti-corruption (Clause 9.10);
  - (h) Transactions with Prohibited Persons (Clause 9.12);
  - (i) OFAC (Clause 9.15);
  - (j) Greenhouse Gas Audit (Clause 9.16)
  - (k) Reserved Matters as stated in Clause 14 and **SCHEDULE 4**.
- 1.1.32. **"Indian GAAP"** means the Indian generally accepted accounting principles, consistently applied.





- 1.1.33. "**INR**" means Indian Rupees, the currency and legal tender of the Republic of India, for the time being in force.
- 1.1.34. "**Investment Amount**" means the aggregate of Subscription Amount and Purchase Amount and such other amount as may be invested by the Investor in the Company from time to time in accordance with the provisions of this Agreement.
- 1.1.35. "**Investor Nominee Director**" shall have the meaning ascribed to such term in Clause 15.2.
- 1.1.36. "**Investor Shares**" means the aggregate of Subscription Shares and the Purchase Shares, and such other Equity Securities as may be subscribed to / purchased by the Investor in the Company from time to time.
- 1.1.37. "**IPO**" means the initial public offering and listing of the Equity Shares of the Company on any Stock Exchange(s).
- 1.1.38. "**Key Management Team**" means the management team of the Company consisting of the managing director, chief executive officer, chief financial officer, head of production and head of technology at any present or future plants of the Company and the Subsidiaries, as appointed from time to time, including any persons discharging the roles and powers substantially similar to the aforesaid persons, notwithstanding their designations or any other function head or departmental head and any other employee whose cost to the Company exceeds INR 40,00,000 (Indian Rupees Forty Lakhs only) per annum.
- 1.1.39. "**Law**" shall include all applicable statutes, enactments, acts of legislature, laws, ordinances, rules, bye-laws, regulations, guidelines, policies, directions, directives and orders of any Government, and applicable international treaties and regulations, in force at the relevant time.
- 1.1.40. "**Liquidation Event**" means the commencement of any proceedings for the liquidation, dissolution or winding up of the Company either through members' or creditors' voluntary winding-up process or a court directed winding-up process.
- 1.1.41. "**Liquidity Event**" means any of the following events:
- (a) any merger, amalgamation, consolidation, reconstitution, restructuring or similar transaction with or into another Person following which the Company's shareholders immediately post such transaction (or series of related transactions) hold less than 50% of the outstanding voting power of the Company on a Fully Diluted Basis or the surviving or acquiring entity; or
  - (b) a transaction or series of related transactions in which a Person or group of affiliated Persons (other than an underwriter of the Company's Equity Shares), acquires Equity Securities from Shareholders representing more than 50% (fifty percent) of the outstanding voting power of the Company; or
  - (c) sale, transfer or other disposition of assets and properties (including tangible and intangible assets) of the Company and/ or RSS where such assets and properties



constitute more than 50% (fifty percent) of the value of all assets and properties (including tangible or intangible assets) of the Company and/ or RSS;

provided, however, that a transaction shall not constitute a Liquidity Event if its sole purpose is to change the jurisdiction of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the Persons who held the Company's Shares immediately prior to such transaction.

Notwithstanding the foregoing, the treatment of any particular transaction or series of related transactions as a Liquidity Event may be waived by the vote or written consent of the Investor.

- 1.1.42. "**Management Reports**" means the management internal reports summarizing progress against the annual budget, including (i) actual versus forecast financial results, (ii) actual versus forecast capital expenditure, and (iii) progress against business development targets, as well as noting any significant operational issues.
- 1.1.43. "**Memorandum**" means the memorandum of association of the Company as originally framed or altered from time to time in accordance with this Agreement, the Subscription Agreement and the Act.
- 1.1.44. "**Offer for Sale**" shall include any secondary offering by the Investor pursuant to or as part of an IPO and shall include the meaning assigned to it in the SEBI Regulations.
- 1.1.45. "**Performance Standards**" means International Finance Corporation's Performance Standards on Social and Environmental Sustainability, dated January 1, 2012, copies of which have been delivered to and receipt of which have been acknowledged by the Company and the Promoters.
- 1.1.46. "**Person**" shall include an individual, proprietorship, Hindu undivided family, partnership, corporation, company, unincorporated organization or association, trust or other entity, whether incorporated or not.
- 1.1.47. "**Preference Holder**" shall have the meaning ascribed to it in Clause 3.4.1.
- 1.1.48. "**Purchase Amount**" means the aggregate consideration paid by the Investor under the IWWTC Share Purchase Agreement and the Promoter Share Purchase Agreement for the acquisition of the Purchase Shares.
- 1.1.49. "**Purchase Shares**" means 11,751 fully paid-up Equity Shares of face value of INR 100 (Rupees One Hundred only) each purchased by the Investor from India Waster Water Trading Company and the Promoters in accordance with the terms of the IWWTC Share Purchase Agreement and the Promoter Share Purchase Agreement, respectively.
- 1.1.50. "**QIPO**" means an IPO which satisfies each of the following conditions: (a) the Equity Shares of the Company is listed pursuant to such IPO on the Stock Exchange(s); (b) the IPO is managed and underwritten by one or more reputable investment banking firms of recognized standing in the market in which such securities are to be offered, as agreed by the Investor; and (c) the IPO is undertaken at a valuation which results in the Investor Shares being priced



at an amount which equals at least 2 (two) times the Investment Amount including of any cash/accrual payments of interest or coupon already paid.

- 1.1.51. **"RBI"** means the Reserve Bank of India.
- 1.1.52. **"Relative"** shall have the meaning ascribed to such term in Section 2 (77) of the Act.
- 1.1.53. **"Related Party(ies)"** shall have the meaning ascribed to such term as defined in Section 2 (76) of the Act.
- 1.1.54. **"Restated Articles"** means the restated and amended Articles, which shall be to the satisfaction of the Investor and substantially in conformity with this Agreement, the Act and the Subscription Agreement.
- 1.1.55. **"SEBI"** means the Securities and Exchange Board of India, a body established under the provisions of the Securities and Exchange Board of India Act, 1992.
- 1.1.56. **"SEBI Regulations"** means the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended or reenacted from time to time, including any rules or circulars issued thereunder.
- 1.1.57. **"Series A CCPS"** means the Series A fully and compulsorily convertible, non-cumulative, preference shares of the Company, each having a face value of INR 1000 (Rupees One Thousand only), and carrying such terms and conditions set out in Clause 3 hereunder, in the Subscription Agreement and the Articles.
- 1.1.58. **"Series A Original Issue Price"** means INR 90,250.26/- (Rupees Ninety Thousand Two Hundred and Fifty and Paise Twenty Six) per Series A CCPS.
- 1.1.59. **"Shareholder"** means the duly registered holder from time to time of the Equity Securities of the Company.
- 1.1.60. **"Shell Bank"** means a bank incorporated in a jurisdiction in which it has no physical presence and which is not an Affiliate of a regulated (i) bank or (ii) financial group.
- 1.1.61. **"Stock Exchange"** means the National Stock Exchange, the BSE Limited or such other stock exchange approved by the Board.
- 1.1.62. **"Subscription Amount"** means the aggregate amount of INR 33,95,21,478.12/- (Rupees Thirty Three Crores Ninety Five Lakhs Twenty One Thousand Four Hundred and Seventy Eight and Paise Twelve only) to be paid by the Investor towards subscription of the Subscription Shares.
- 1.1.63. **"Subscription Agreement"** or **"SSA"** shall have the meaning ascribed to such terms in Recitals.
- 1.1.64. **"Subsidiaries"** means RSS, CBT, Reva, CES-FZE, BWTT and CES Mexico and shall include any future subsidiaries of the Company.

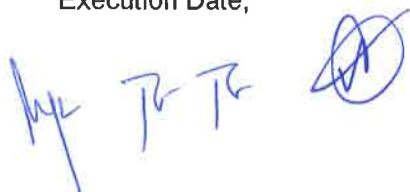


- 1.1.65. **"Tax"** or **"Taxation"** means, to the extent applicable, all forms of taxation, duties, levies imposts and social security charges, present and future, whether direct or indirect including without limitation corporate income tax, wage withholding tax, value added tax, customs and excise duties, capital gains tax, dividend withholding tax, dividend distribution tax, land taxes, environmental taxes and duties and any other type of taxes or duties payable by virtue of any applicable national, regional or local Law or regulation and levied by any Governmental Authority; together with any interest, penalties, surcharges or fines relating to them, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction.
- 1.1.66. **"Third Party"** means any Person other than the Parties to this Agreement or any Affiliates of any Parties to this Agreement.
- 1.1.67. **"Third Valuer"** shall have the meaning ascribed to the term in Clause 26.3.6 below.
- 1.1.68. **"Tranche I Investment"** shall have the meaning ascribed to it in the SSA.
- 1.1.69. **"Transaction Documents"** means this Agreement, the Subscription Agreement, the Disclosure Letter, the IWWTC Share Purchase Agreement, the Promoter Share Purchase Agreement and the Restated Articles.
- 1.1.70. **"Transfer"** (including the terms **"Transferred by"**, **"Transferring"** and **"Transferability"**) means to directly or indirectly transfer, sell, assign, exchange, gift, dispose of in any manner, or subject to any Encumbrance, whether or not voluntarily, and whether by operation of law or otherwise.
- 1.1.71. **"Valuer"** means any Big 4 Accounting Firm or any merchant banker ranked amongst the top 10 merchant bankers in India by Thomson Reuters immediately prior to the date of appointment, and appointed in accordance with the provisions of Clause 26.3 below.

1.2. Interpretation.

In this Agreement, unless the context thereof otherwise requires:

- 1.2.1. reference to a Party shall include, such Party's legal heirs, executors, administrators, successors and permitted assigns and any Persons deriving title under it, as applicable;
- 1.2.2. references to the shareholding of any Shareholder in the Company shall (a) refer to the shareholding of such Shareholder computed on a Fully Diluted Basis, and (b) include the shareholding of such Shareholder's Affiliates holding any shares in the Company, if any;
- 1.2.3. words of any gender include each other gender, words using the singular or plural number also include the plural or singular number, respectively;
- 1.2.4. the terms "hereto", "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;
- 1.2.5. the phrases "ordinary course of business" and "ordinary course of business consistent with past practice" refer to the business and practice of the Company as conducted prior to the Execution Date;



- 1.2.6. the word "including" herein shall always mean "including, without limitation";
- 1.2.7. the expression "**control**" or "**controlling**" when used for an entity or undertaking in relation to another entity or undertaking shall include ownership or control (whether directly or indirectly) of more than 50% (fifty per cent) of the total voting securities (calculated on a Fully Diluted Basis), whether by shareholding or contract or otherwise or control of, or the power to control, policy decisions and/or the composition of the board of directors of the other entity.
- 1.2.8. whenever this Agreement refers to a number of days, such number shall refer to calendar days, unless specifically provided otherwise;
- 1.2.9. all accounting terms used herein and not expressly defined herein shall have the meanings given to them under Indian GAAP;
- 1.2.10. headings and captions are used for convenience only and shall not affect the interpretation of this Agreement;
- 1.2.11. references to Recitals, Clauses, sub-clauses, Sections, sub-sections, Schedules, Annexures and Appendices shall be deemed to be a reference to the recitals, clauses, sub-clauses, Sections, sub-sections, schedules annexures and appendices of this Agreement;
- 1.2.12. reference to any statute or statutory provision shall include:
- (a) all subordinate legislation made from time to time under that statute or provision (whether or not amended, modified, re-enacted or consolidated); and
  - (b) such statute or provision as may be amended, modified, re-enacted or consolidated;
- 1.2.13. no provision of this Agreement shall be interpreted in favor of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof;
- 1.2.14. any reference to an agreement, instrument or other document (including a reference to this Agreement) herein shall be to such agreement, instrument or other document as amended, supplemented or novated pursuant to the terms thereof;
- 1.2.15. 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; and
- 1.2.16. the Schedule, Annexures and Exhibits to this Agreement form an integral part of this Agreement.

## 2. EFFECTIVE DATE AND SHAREHOLDING PATTERN

- 2.1. This Agreement shall come into and be in full force and effect upon the occurrence of Closing (the "**Effective Date**").



2.2. The capital structure and shareholding pattern of the Company (on a Fully Diluted Basis) upon the Closing shall be as set forth in **SCHEDULE 2**.

3. TERMS OF SERIES A CCPS

3.1. Status of CCPS

Unless specifically agreed to by the Preference Holders, the Series A CCPS shall rank senior to the Equity Shares and other preference shares at all times and in all events.

3.2. Voting Rights

The voting rights in respect of the Series A CCPS shall be governed by Clause 16.4 of this Agreement.

3.3. Term

In the event that, for any reason whatsoever, the conversion of the Series A CCPS does not occur in the manner set forth herein, each Series A CCPS shall have a term of twenty (20) years.

3.4. Dividends

3.4.1. Subject to applicable Law, each holder of Series A CCPS (a "**Preference Holder**") shall be entitled to receive a dividend at the rate of 0.001% of the face value per annum on each Series A CCPS held by such holder, payable when, as and if declared by the Board of the Company. Except to any other Equity Security issued in future and which ranks higher in priority than the Series A CCPS, no dividend or distribution may be paid to, or set aside for any other Shareholder unless dividend hereunder is paid to the holders of Series A CCPS.

3.4.2. Further, subject to applicable Law, after the payment of the dividend specified above, any additional dividends shall be distributed to all Shareholders in proportion to the number of Equity Shares held by each Shareholder on a Fully Diluted Basis (which for the avoidance of doubt, includes the Investor assuming conversion of the Series A CCPS).

3.4.3. No dividend or distribution shall be paid on any share of any class or series of the Company if and to the extent that as a consequence of such dividend or distribution holders of Series A CCPS would be entitled to a dividend hereunder greater than the maximum amount permitted to be paid in respect of preference shares of an Indian company held by a non-resident under applicable Laws (including without limitation, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2000).

3.5. Conversion of the Series A CCPS.

3.5.1. Conversion Right. Each Preference Holder shall have the right to require the Company to convert all or a part of such Series A CCPS held by them into such number of fully paid Equity Shares equal to the Series A Original Issue Price divided by the Series A Conversion Price (as defined below) then in effect (the conversion ratio for the Series A CCPS is referred to herein as the "**Conversion Ratio**"), in accordance with the terms of this Agreement (the



"**Conversion Right**") at any time before the conversion of the Series A CCPS is carried out under Clause 3.5.2 below. The Conversion Ratio shall initially be 1:1, until adjusted in accordance with Clause 3.5.8 and **SCHEDULE 3 (Broad Based Anti-Dilution Protection)**.

- 3.5.2. Mandatory Conversion. The Company shall mandatorily convert each Series A CCPS into Equity Shares at the Conversion Ratio then in effect upon the earlier of (i) immediately prior to the filing of a red herring prospectus in relation to any IPO (approved by the Investor) or any proposed QIPO, or (ii) the issuance of a Conversion Notice in terms of Clause 3.5.3 below or (iii) transfer of Offered Securities by the Investor to a Competitor in terms of Clause 4.2.5 below. Notwithstanding the foregoing, each Series A CCPS shall mandatorily convert into Equity Shares at the Conversion Ratio then in effect one day prior to the expiry of the twentieth anniversary of the date on which the Series A CCPS were first issued by the Company.
- 3.5.3. Exercise of Conversion Right and procedure for conversion. A Preference Holder may exercise the Conversion Right by (a) delivering a written notice (a "**Conversion Notice**") to the Company of its intention to so convert Series A CCPS held by such Preference Holder into Equity Shares and (b) surrendering the relevant share certificates representing such Series A CCPS at the office of the Company together with the Conversion Notice. If the Equity Shares are to be issued in dematerialized form, the Preference Holder shall also provide standard information required to allow the Company to issue such shares in dematerialized form. The Conversion Notice shall specify the number of Series A CCPS that such Preference Holder elects to convert (such Series A CCPS referred to as the "**Relevant CCPS**") and state therein the name or names of any nominee for such Preference Holder in which the certificate or certificates for Equity Shares are to be issued and whether or not such Equity Shares are to be issued in physical form or dematerialized form.
- 3.5.4. As soon as reasonably practicable, but in no event later than 7 (seven) Business Days from the date of the Conversion Notice, the Company shall take all necessary corporate actions and obtain all necessary Consents and issue the appropriate number of Equity Shares into which the Relevant CCPS are convertible at the Conversion Ratio then in effect. Not later than the 7<sup>th</sup> (seventh) Business Day from the date of the Conversion Notice, the Company shall deliver to such Preference Holder:
- (a) duly stamped and executed share certificates with respect to the Conversion Shares issued on conversion of the Relevant CCPS;
  - (b) certified true copies of all filings necessary to effect and validate the issue of the Conversion Shares, including Form PAS-3;
  - (c) certified true copy of the register of members of the Company showing the Preference Holder as the registered owner of the Conversion Shares;
  - (d) duly acknowledged copies of all intimations and filings made by the Company with the RBI in respect of the conversion of the Series A CCPS and issue of Equity Shares in lieu thereof; and
  - (e) in the event that the Preference Holder has requested in the Conversion Notice or otherwise in writing to the Company and has provided all required information to the Company to hold the converted Equity Shares in a dematerialized form, evidence that such Equity Shares have been deposited in the account of such Preference Holder or to the nominee or nominees of such Preference Holder previously identified to the



Company in writing accompanied with a beneficiary position statement issued by the concerned depository.

- 3.5.5. Procedure for Mandatory Conversion. In the case of a mandatory conversion of Series A CCPS pursuant to Clause 3.5.2, the Company shall take all necessary corporate and other actions and obtain all Consents on or prior to the date of conversion, and shall provide the documents/ information listed in sub-clause (a), (b), (c), (d) and (e) of Clause 3.5.4 to the Preference Holders on the date of conversion of the Series A CCPS.
- 3.5.6. No Fractional Shares. No fractional Conversion Shares shall be issued upon conversion of Series A CCPS. If the computation of the number of Conversion Shares to be issued, results in a fraction, then the number of Conversion Shares shall be rounded off to the nearest whole number.
- 3.5.7. Conversion Price. The "**Series A Conversion Price**" for the Series A CCPS shall initially be equal to the Series A Original Issue Price and, subject to applicable Law, shall be adjusted in accordance with Clause 3.5.8 and **SCHEDULE 3 (Broad Based Anti-Dilution Protection)**. It is clarified that any adjustment of the Series A Conversion Price and Conversion Ratio shall not automatically result in conversion of the Series A CCPS. In the event of any adjustment to the Series A Conversion Price and the Conversion Ratio of the Series A CCPS, the Company, at its expense, shall promptly compute such adjustment and inform the holders of Series A CCPS of the details of such adjustment in writing. The Company shall upon the written request at any time of any Preference Holder furnish or cause to be furnished to such holder a certificate setting forth (A) such adjustment, (B) the Series A Conversion Price and Conversion Ratio at the time in effect, and (C) the number of Equity Shares and the amount, if any, that at the time would be received upon the conversion of Series A CCPS.
- 3.5.8. Conversion Price and Conversion Ratio Adjustments for Certain Dilutive Issuances, Splits and Combinations. The Series A Conversion Price and Conversion Ratio shall be subject to adjustment from time to time as follows:
- (a) Adjustments for Dilutive Issuances. If at any time after the Closing Date, the Company issues to any Person any Equity Securities (other than pursuant to an Exempted Issuance), at a price per security that is lower than the Series A Conversion Price in effect immediately prior to such issuance (a "**Dilutive Issuance**"), then the holders of Series A CCPS shall be entitled to a broad-based weighted average anti-dilution protection in accordance with **SCHEDULE 3**. In such an event, the Company and the other Shareholders shall be bound to cooperate with the holders of Series A CCPS and the Company such that, the Company forthwith takes all necessary steps to adjust the Series A Conversion Price and Conversion Ratio in accordance with **SCHEDULE 3**. Notwithstanding the foregoing, if the adjustment set forth in this Clause 3.5.8(a) is not permitted to be made, in whole or in part, under applicable Law, the Parties agree to take all necessary acts to put the Preference Holders in the position that they would have been if such adjustment to the Series A Conversion Price had been made, including potentially the issuance of new Equity Shares to the Preference Holders, or an Affiliate or designated nominee of a Preference Holder, whereby the Preference Holders, or such Affiliate or designated nominee thereof, are not required to pay any additional amounts for the issuance of such new Equity Shares, if permitted by applicable Law.



- (b) In the event the Company should at any time or from time to time after the Closing Date fix a record date for the effectuation of a split or subdivision of the outstanding Equity Shares or the determination of holders of Equity Shares entitled to receive a dividend or other distribution payable in additional Equity Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional Equity Shares (hereinafter referred to as "**Equity Share Equivalents**") without payment of any consideration by such holder for the additional Equity Shares or the Equity Share Equivalents (including the additional Equity Shares issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Series A Conversion Price and Conversion Ratio shall be appropriately decreased so that the number of Equity Shares issuable on conversion of each Series A CCPS shall be increased in proportion to such increase of the aggregate of Equity Shares outstanding and those issuable with respect to such Equity Share Equivalents.
- (c) If the number of Equity Shares outstanding at any time after the Closing Date is decreased by a combination or consolidation (reverse stock split) of the outstanding Equity Shares, then, following the record date of such combination or consolidation (reverse stock split), the Series A Conversion Price and Conversion Ratio shall be appropriately increased so that the number of Equity Shares issuable on conversion of each Series A CCPS shall be decreased in proportion to such decrease in outstanding Equity Shares.
- (d) Subject to the provisions of Clause 12.3 of the SSA, the Conversion Ratio of the Series A CCPS may be adjusted at the option of the Indemnified Party (as defined in the Share Subscription Agreement), on the basis of the Fair Market Value, such that the number of Conversion Shares increases to make good the Indemnity Amount (as defined hereinafter) payable to the Indemnified Party ("**Indemnity Conversion Ratio**"). Provided however that, in the event the Indemnifying Party pays the Indemnity Amount or part thereof, to the Indemnified Party, the Indemnity Conversion Ratio shall be readjusted such that the number of Conversion Shares is reduced to the extent of the Indemnity Amount (or part thereof), paid to the Indemnified Party. Provided further that, at the time of exit of the Investor in accordance with the terms of this Agreement, if the value received by the Investor as a consequence of the exit ("**Exit Value**") and in respect of the Conversion Shares (reckoned as a result of the adjustment of the Conversion Ratio) is greater than the Indemnity Amount, the Investor shall transfer to the Promoters, such number of Investor Shares representing the difference between the Exit Value of the Conversion Shares and the Indemnity Amount. Any Tax liability associated with any such adjustment shall be borne by the Investor.
- (e) The Conversion Ratio of the Series A CCPS shall also be adjusted at the time of allocation / issuance of any Equity Shares pursuant to the Agreed ESOP by the Company, the intention being that upon allocation / issuance of Equity Securities under the Agreed ESOP, the Investor shall not be diluted and the Conversion Shares to be issued at the time of conversion are increased to the extent of Equity Securities allocated / issued under the Agreed ESOP.

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- (f) The Parties agree that an amount of Rs. 19,20,00,000/- (Rupees Nineteen Crores and Twenty Lakhs only) is receivable by CES-FZE from RGE within a period of 4 (four) years from the Closing Date or exit of the Investor in accordance with the terms of this Agreement, whichever is earlier. If the Investor exercises its voluntary Conversion Right in terms of Clause 3.5.1 hereinabove before the end of 4 (four) years from the Closing Date, the Conversion Ratio shall not be adjusted in accordance with this Clause 3.5.8(f). To the extent any amounts are received by CES-FZE from RGE, the Conversion Ratio shall be adjusted in accordance with the formula and an illustration thereof as stated below:

Amount to be returned = INR 19,20,00,000

Amount that is returned = F

Amount that is not returned (G) = (INR 19,20,00,000 - F)

Adjusted pre-money equity valuation of the Company ("**Adjusted Pre-Money Equity Valuation**") = Pre-money equity valuation + (F - G)  
= INR 323,08,14,804 + (F - G)

Conversion Ratio =

$$\frac{[(\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Equity Shares held by the Investor at the time of conversion}]/(1 - \text{Investor's Proposed Shareholding})}{\text{No. of Series A CCPS held by the Investor}}$$

Where,

- (i) Investor's Proposed Shareholding = D + (Percentage shareholding of India Waste Water Treatment Company acquired by the Investor + Percentage shareholding of the Promoters acquired by the Investor) \* (1 - D); and
- (ii)  $D = (\text{INR } 35,00,00,000/-) / (\text{Adjusted Pre-Money Equity Valuation} + \text{INR } 35,00,00,000)$

- (g) The Conversion Ratio of the Series A CCPS may be adjusted at the option of the holder of the Series A CCPS upon the occurrence of a Liquidity Event in accordance with the formula and illustration thereof as stated below:

Conversion Ratio =

$$\frac{[(\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Existing Equity Shares held by the Investor}] / (1 - \text{Investor's Proposed Shareholding})}{\text{No. of Series A CCPS held by the Investor}}$$

Where,

Investor's Proposed Shareholding = (Investment Amount \* 2) / Fair Market Value of the Company as on the date of conversion

- (h) The Conversion Ratio of the Series A CCPS may be adjusted at the option of the holder of the Series A CCPS upon the occurrence of a Liquidation Event in accordance with the formula and illustration thereof as stated below:

Conversion Ratio =

$$\frac{((\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Existing Equity Shares held by the Investor}) / (1 - \text{Investor's Proposed Shareholding})}{\text{No. of Series A CCPS held by the Investor}}$$

Where,

Investor's Proposed Shareholding = (Investment Amount) / Total liquidation equity valuation of the Company as on the date of conversion

- (i) The adjustments under this Clause 3.5.8 shall not be mutually exclusive.

- 3.5.9. Conversion Cost. The Company shall bear all expenses arising from the conversion of the Series A CCPS as set out in this Clause 3.5, including *inter alia*, any stamp duty applicable on the issuance of share certificates subsequent to conversion of the Series A CCPS.
- 3.5.10. Other Distributions. In the event the Company declares a distribution payable in securities of other Persons, evidences of indebtedness issued by the Company or other Persons, assets (excluding cash dividends) or options or rights not referred to in Clause 3.5.8(a) above, then, in each such case for the purpose of this Clause 3.5.10, the Preference Holders shall be entitled to a proportionate share of any such distribution as though they were the holders of the number Equity Shares into which their Series A CCPS are convertible as of the record date fixed for the determination of the holders of Equity Shares entitled to receive such distribution.
- 3.5.11. Reservation of Equity Shares Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued Equity Shares, solely for the purpose of effecting the conversion of the Series A CCPS, such number of its Equity Shares as shall from time to time be sufficient to effect the conversion of all outstanding Series A CCPS; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect the conversion of all then outstanding Series A CCPS, in addition to such other remedies as shall be available to the Preference Holder, 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, to obtain the requisite shareholder approval of any necessary amendment to the Articles.
- 3.5.12. Waiver of Adjustment to Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Series A Conversion Price may be waived, either prospectively or retroactively and either generally or in a particular instance, by the written consent or vote of the Investor. Any such waiver shall bind all future holders of Series A CCPS.

#### 4. SHARE TRANSFERS

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4.1. General. Transfer of any Equity Securities by any Shareholder must comply with the provisions of this Clause 4 and the Company shall not record or register any Transfer that does not satisfy the provisions of this Clause 4. Any attempt by any Shareholder to Transfer its Equity Securities in contravention of the provisions contained herein shall be considered void and invalid.

4.2. Restrictions on Transfers

4.2.1. Lock-in.

- (a) Without limiting any other provision of this Agreement, including any other provision of this Clause 4, the Promoters and the Company acknowledge and agree that, till the consummation of the exit of Investor in accordance with Clause 8 of this Agreement, the Promoters will not Transfer, or cause to be Transferred, any Equity Securities in the Company, or otherwise achieve or cause to be achieved any liquidity with respect to any Equity Securities of the Company held directly or indirectly by them in the Company and its Subsidiaries, without the prior written consent of the Investor. Should the Investor consent to such Transfer, the same shall be in accordance with and subject to the provisions of the Articles and this Agreement. Provided however that, in the event the Promoters desire to conduct an estate planning of their respective assets, they shall be permitted to Transfer up to 15% (fifteen percent) of their aggregate shareholding in the Company cumulatively to a trust for the benefit of the legal heirs of the Promoters, subject to the trustee of such trust executing a Deed of Adherence. Provided further that the Promoters shall also be permitted to transfer their shareholding in the Company during the lock-in period in the following circumstances:
- (i) Encumbrance for the purpose of availing any borrowings by the Company as part of the approved Business Plan and approved in accordance with the terms of this Agreement;
  - (ii) a re-organization, consolidation, spin-off, merger, acquisition or other similar transaction by the Company and/ or Subsidiaries approved in accordance with the terms of this Agreement; and
  - (iii) any transmission of shares by operation of Law.
- (b) Each Party acknowledges and agrees that the covenants set forth in this Clause are intended to ensure that the Investor is able to achieve liquidity with respect to its investment in the Company without limiting any other rights the Investor has to Transfer its interest in the Company. Accordingly, the Promoters and the Company agree that they shall not attempt to avoid the provisions of this Section 4.2.1 through the creation of intermediate entities or other restructuring of such Company's and Promoter's investment in the Company and its Subsidiaries respectively.

4.2.2. Right of First Offer.

- (a) Subject to Clause 4.2.1 above and Clause 4.2.5 below, if any Shareholder ("**Transferring Party**") proposes to Transfer within 60 (sixty) months from the Closing



Date, any or all of the Equity Securities held by such Transferring Party in the Company to a Third Party (other than a Competitor), then the Transferring Party shall first offer all but not less than all of the Equity Securities held by it ("**ROFO Securities**") to the other Shareholders ("**Non-Transferring Party**") (such a right being referred to as "**Right of First Offer**"). Such Right of First Offer shall be exercisable in the manner set out below. Any right/ action under this Clause 4.2.2 to be exercised by the Promoters as a Non-Transferring Party shall be exercised by the Promoters as a block and not by each Promoter separately or independently.


- (b) The Transferring Party shall issue a written notice ("**ROFO Notice**") to the Non Transferring Party stating therein: (a) the name of the Transferring Party, (b) its/ his intention to sell the ROFO Securities, and (c) the number of Equity Securities held by the Transferring Party in the Company as on the date of such ROFO Notice.
- (c) Within a period of 60 (sixty) calendar days from the date of receipt of the ROFO Notice, the Non Transferring Party shall be entitled to respond to the ROFO Notice in writing (such notice, an "**Offer Response Notice**") indicating its acceptance, the price offered for such ROFO Securities ("**Offer Price**") and reasonable documentary evidence to display availability of, or accessibility to, requisite funds with the Non-Transferring Party for the purchase of ROFO Securities.
- (d) Within 15 (Fifteen) Business Days after receipt of the Offer Response Notice, the Transferring Party shall provide a written notice to the Non-Transferring Party, either accepting or rejecting the Offer Price ("**ROFO Acceptance Notice**"). If the ROFO Acceptance Notice is not provided within aforementioned time then the ROFO Notice shall be deemed to have been rejected. If the Offer Price is accepted, the Transferring Party shall consequently Transfer the ROFO Securities to the Non-Transferring Party within 90 (ninety) calendar days from the date of the ROFO Acceptance Notice. If the Non-Transferring Party has rejected the offer set forth in the ROFO Notice or if the Offer Price is rejected by the Transferring Party, the Transferring Party shall be entitled to Transfer the ROFO Securities to a Third Party within a period of 90 (ninety) calendar days from the date of Offer Response Notice of ROFO Acceptance Notice as the case may be ("**Offer Period**"), subject to the provisions of Clause 4.2.3 and provided (i) the Transferring Party shall not offer the ROFO Securities to a Third Party at a price lesser than the Offer Price and/or on terms which are more favourable to a Third Party as compared to the terms offered by the Non-Transferring Party; and (ii) such Third Party buyer executes a Deed of Adherence agreeing to abide by the terms and conditions of this Agreement. For the avoidance of doubt, the Third Party referred to in this Clause 4.2.2 shall not include a Competitor.
- (e) The Offer Period shall be extended to the extent required to obtain approval(s), required if any, under the applicable Law. The Transfer of the ROFO Securities as per applicable Law (including delivery of share certificates, etc.) and the payment of the Offer Price for the ROFO Securities shall occur simultaneously. The Transferring Party shall provide customary representations and warranties with respect to title of the ROFO Securities (including that the title is free from all Encumbrances) and authority to sell.



- (f) Each Party shall bear its own costs and expenses incurred in connection with the exercise of Right of First Offer provided to such Party under this Clause 4.2.2. All stamp duty and other transfer Taxes in relation to the Transfer of the ROFO Securities to the Non Transferring Party (other than those in nature of capital gains tax) shall be borne by the Company.
- (g) In the event that such Transfer is not consummated within the Offer Period, the Transferring Party shall not be permitted to sell the ROFO Securities pursuant to this Clause 4.2.2 without again complying with each of the requirements of this Clause 4.2.2.
- (h) The Non Transferring Party shall be entitled to nominate any of its Affiliates, at its sole discretion, to acquire/ hold the ROFO Securities pursuant to the provisions of this Clause 4.2.2.

4.2.3. Tag-Along Right.

- (a) If the Non-Transferring Party is the Investor and the Investor does not intend to exercise the Right of First Offer under Clause 4.2.2 above ("**Non ROFO Exercising Party**") or does not respond to the ROFO Notice within a period of 60 (sixty) calendar days from the date of receipt of the ROFO Notice, the Transferring Party being the Promoters in this case, shall deliver a written notice to the Non ROFO Exercising Party ("**Sale Notice**") stating: (a) that it/ they intend to Transfer the ROFO Securities ("**Sale Securities**") to a Third Party (the "**Proposed Buyer**"), (b) the name of the Proposed Buyer, (c) the price and the key terms and conditions on which the Sale Securities are proposed to be Transferred to the Proposed Buyer, and (d) the number of Sale Securities proposed to be Transferred to the Proposed Buyer. Any right/ action under this Clause 4.2.3 to be exercised by the Promoters shall be exercised by the Promoters as a block and not by each Promoter separately / independently.
- (b) Subject to the provisions of this Clause 4.2.3, within a period of 15 (Fifteen) calendar days from the date of receipt of the Sale Notice ("**Tag Exercise Period**"), the Non ROFO Exercising Party ("**Tag Along Party**"), shall have the right (but not the obligation), ("**Tag Along Right**") to offer all or part of the Equity Securities held by the Tag Along Party to the Proposed Buyer ("**Tag Securities**") and at a price and on terms and conditions no less favourable than those offered to the Transferring Party by the Proposed Buyer by intimating the Transferring Party in writing ("**Tag Along Notice**"). The Parties agree that the Tag Along Right under this Clause 4.2.3 is only a right of the Investor and shall not be available to the Promoters. The number of Tag Securities shall not exceed the product of the total number of Equity Securities held by the Tag Along Party on a Fully Diluted Basis and the fraction, the numerator of which shall be number of Sale Securities proposed to be transferred by the Transferring Party and the denominator of which shall be the total number of Equity Securities outstanding in the Company on a Fully Diluted Basis. Provided however that, where the Transferring Party is the Promoters (acting as block) and such Transfer results in a change of control, the Investor shall be entitled to Transfer all of their Equity Securities to the Proposed Buyer.

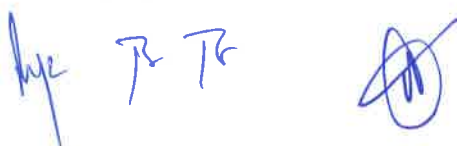
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- (c) If the Tag Along Party has exercised its Tag Along Right by sending a Tag Along Notice to the Transferring Party, within the Tag Exercise Period, the Transferring Party shall intimate this to the Proposed Buyer. If the Proposed Buyer is willing to purchase all the Tag Securities, then the Transferring Party, the Tag Along Party and the Proposed Buyer shall complete the transfer of all the Sale Securities and Tag Securities, at the price and on the terms and conditions as mentioned in the Sale Notice. If, however, the Proposed Buyer cannot or is not willing to purchase all of the Tag Securities, then the Transferring Party shall not be entitled to transfer the Sale Securities to the Proposed Buyer and such Transferring Party shall be obligated to follow the procedure set out in Clause 4.2.2 and Clause 4.2.3 for any subsequent sale of any securities held by the Transferring Party.
- (d) In the event the Non ROFO Exercising Party does not exercise its Tag Along Right within the Tag Exercise Period, then the Transferring Party shall be entitled to Transfer all but not less than all of the Sale Securities to the Proposed Buyer on the terms set out in the Sale Notice, within a period of 90 (ninety) calendar days from the date of expiry of the Tag Exercise Period ("**Sale Period**"). The Sale Period shall be extended to the extent required to obtain approval(s), required if any, under the applicable Law.
- (e) In the event that the Transferring Party is unable to Transfer the Sale Securities within the Sale Period (including any period extended in accordance with Clause 4.2.3 (d)), then such Transferring Party shall be obligated to follow the procedure set out in Clause 4.2.2 and Clause 4.2.3 for any subsequent sale of any securities held by the Transferring Party.

4.2.4. Limitations to Rights of First Offer and Tag-Along Right. Notwithstanding the provisions of Clauses 4.2.2 and 4.2.3 of this Agreement, Right of First Offer and the Tag-Along Right of the Investor shall not apply to any sale of Equity Securities to the public pursuant to an IPO (including a QIPO).

4.2.5. Right of First Refusal

- (a) In the event the Investor proposes to Transfer any Equity Securities of the Company to a Competitor within period of 60 (sixty) months from the Closing Date ( "**ROFR Sale Period**"), then the Investor shall give to the Promoters, a written notice of the Investor's intention to make the Transfer accompanied by the term sheet or letter of intent provided by the Competitor recording the proposed terms of such Transfer (the "**ROFR Notice**"). The ROFR Notice shall include (i) a description of the Equity Securities to be transferred (the "**Offered Securities**"), (ii) the name(s) and address(es) of the Competitor, and (iii) the purchase price proposed to be paid for the Offered Securities.
- (b) If the Promoters intend to purchase the Offered Securities, the Promoters may respond to the ROFR Notice indicating their acceptance to purchase the Offered Securities by themselves, along with reasonable documentary evidence to display availability of, or accessibility to, requisite funds with the Promoters for the purchase of Offered Securities ("**Exercise Notice**") within 30 (thirty) calendar days of the receipt of the ROFR Notice ("**ROFR Exercise Period**").



- (c) Within 30 (thirty) calendar days from the date of dispatch of the Exercise Notice, ("**ROFR Confirmation Period**"), the Promoters shall have the right to provide to the Investor, confirmation of the Promoters' willingness to purchase the Offered Securities ("**ROFR Confirmation Notice**").
- (d) Within 60 (Sixty) calendar days of dispatch of the ROFR Confirmation Notice ("**Purchase Period**"), the Promoters shall be obligated to purchase the Offered Securities from the Investor and the Investor shall be obligated to Transfer the Offered Securities to the Promoters. Any transfer of the Offered Securities to the Promoters shall be completed within the Purchase Period. In case of failure of the Promoters to purchase the Offered Securities within the Purchase Period, the Investor shall have the right to either sell the Offered Securities in accordance with Clause 4.2.5 (e) hereinbelow, or trigger an Event of Default whereupon the Drag Right as provided under the provisions of Clause 20.2 shall apply. It is further agreed that if and only if the Offered Securities constitute all of the Equity Securities held by the Investor, then the Promoters shall have the right to purchase such Offered Securities through its nominee.
- (e) If (i) the Promoters do not deliver the Exercise Notice within the ROFR Exercise Period; or (ii) the Promoters do not deliver the ROFR Confirmation Notice within the ROFR Confirmation Period; or (iii) the Promoters deliver the ROFR Confirmation Notice, but fail to purchase the Offered Securities within the Purchase Period (either through themselves or through any Third Party or nominee), then the Investor shall have 90 (ninety) calendar days from the expiry of the ROFR Exercise Period or the Purchase Period, as the case may be ("**Free Sale Period**"), within which it can transfer the Offered Securities on the terms set out to the relevant transferee stated in the ROFR Notice.
- (f) Notwithstanding the above, if the Offered Securities are Transferred to a Competitor prior to expiry of 60 (sixty) months from the Closing Date, such Competitor shall be entitled to exercise the following rights under this Agreement:
  - (i) Pre-emptive right (Clause 6);
  - (ii) Reserved matter in respect of any amendment to the Articles that may adversely affect the rights of such Competitor.

4.2.6. It is hereby agreed that in case of any Transfer of Equity Securities by the Investor to a Competitor after the expiry of 60 (sixty) months from the Closing Date, the Competitor shall be entitled to all the rights (except rights relating to exit under Clause 8) of the Investor under the Transaction Documents.

4.2.7. For avoidance of doubt, prior to the transfer of Offered Securities by the Investor to the Competitor in accordance with the provisions of Clause 4.2.5, all the Offered Securities shall first automatically and mandatorily convert into Equity Shares of the Company in accordance with provisions of Clause 3.5.2 and Clause 3.5.5 above and the Equity Shares into which the Offered Shares are converted shall then be transferred to the Competitor.

4.3. Consents. The purchase or sale/Transfer under this Clause 4 shall be subject to the





necessary Consents being obtained. The Company and the Transferring Party, shall each use their best endeavors to obtain the necessary Consents. Time periods specified in this Clause 4 shall be extended by the time taken to obtain necessary Consents.

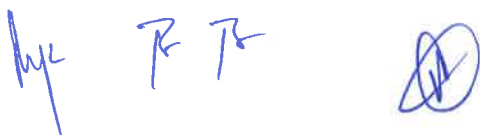
- 4.4. Transfer to Affiliates. The Investor shall be permitted to Transfer their Equity Securities to any of its Affiliates without complying with provisions of this Clause 4, provided that such Affiliate executes the Deed of Adherence.

5. TRANCHE II INVESTMENT

- 5.1. The Parties agree that, if within 18 (eighteen) months from the Closing Date, the Company requires additional funding in the reasonable opinion of the management, then notwithstanding the provisions of Clause 6 hereunder, the Investor and/ or its nominee(s) shall have the right to invest an amount of up to INR 40,00,00,000/- (Rupees Forty Crores) into the Company ("**Tranche II Investment**").
- 5.2. If the Tranche II Investment takes place within 6 (six) months from the Closing Date, subject to applicable Laws, if permitted by applicable law the investment shall be at the same valuation as the Tranche I Investment post money valuation.
- 5.3. If the Tranche II Investment takes place after 6 (six) months from the Closing Date and within 18 (eighteen) months from the Closing Date, the investment shall be, subject to applicable Law, at a valuation that is computed at a 10% (ten percent) IRR to the valuation of the Tranche I Investment calculated from the Closing Date.
- 5.4. The Promoters and the Company shall be required to provide to the Investor and/ or its nominee(s), the representations, warranties and indemnities in connection with title to the Shares issued pursuant to the Tranche II Investment.

6. PRE-EMPTIVE RIGHT OF THE INVESTOR

- 6.1. Subject to the provisions of Clause 5 hereinabove, the Shareholders shall have a pre-emptive right of subscription ("**Pre-Emptive Right**") in the event that the Company proposes to undertake any issuance of Equity Securities other than the Exempted Issuances (an "**issuance**"). A Shareholder shall be entitled to apportion the Pre-Emptive Right hereby granted it among itself and its Affiliates in such proportions as it deems appropriate, in which case the Affiliate of the Promoters shall be deemed to be a Promoter for the purposes of this Agreement.
- 6.2. If undertaking an Issuance, the Company shall issue a written notice to the Shareholders ("**Issuance Notice**") setting forth in detail (a) the terms of the proposed issuance, including the proposed issuance price ("**Issuance Price**"), (b) the date of closing of the proposed issuance (which shall not be less than thirty (30) days from the date of receipt of the Issuance Notice) and (c) the number of Equity Securities proposed to be issued (the "**New Securities**").
- 6.3. If a Shareholder wishes to exercise its Pre-emptive Right, then within 30 (thirty) Business Days from the delivery of the Issuance Notice, it/ he shall deliver a written notice to the Company, communicating its/ his intention to subscribe, at the price and on the terms specified in the Issuance Notice, up to that portion of such New Securities that equals the



proportion that the number of Equity Securities held by such Shareholder (calculated on a Fully-Diluted Basis) bears to the total number of Equity Securities then outstanding (calculated on a Fully-Diluted Basis). In the event that a Shareholder (a "**Non-Participating Shareholder**") is unable to, or does not, for any reason whatsoever, (i) subscribe to its entitlement of the Issuance; and / or (ii) respond within 30 (thirty) Business Days from the delivery of Issuance Notice, then the other Shareholders (each a "**Participating Shareholder**") shall be entitled, by issue of a notice to the Company and the Non-Participating Shareholder, to subscribe either directly or through any of their Affiliates to the unsubscribed Equity Securities of the Issuance in proportion to their shareholding in the Company. In such case, the shareholding of the Non-Participating Shareholder in the Company shall stand diluted to the extent mentioned above.

- 6.4. If all New Securities that the Shareholder is entitled to obtain pursuant to Clause 6.3 are not elected to be obtained as provided in Clause 6.3 hereof, then the Board of the Company may, subject to the prior written consent of the Investor, during the ninety (90) day period following the expiration of the period provided in Clause 6.3 hereof, offer the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than that, and upon terms no more favorable to the offeree than those, specified in the Issuance Notice. If the Company does not enter into an agreement for the issuance of the New Securities within such period, or if such agreement is not consummated within sixty (60) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Investor in accordance with this Clause 6.

## 7. ANTI-DILUTION

- 7.1 Subject to Clause 14, if at any time after the Closing Date, the Company issues to any Third Party, any Equity Securities, at a price per share that is lower than the price at which the Investor subscribed to the Series A CCPS (such an event being referred to as a "**Dilution Event**"), then the Investor shall be entitled to a broad-based weighted average anti-dilution protection in accordance with **SCHEDULE 3** simultaneously with such Dilution Event or at such other time as may be indicated by the Investor at the Investor's sole option.
- 7.2 In such a Dilution Event, the Company shall forthwith take all necessary steps, at the sole option of the Investor, but subject to applicable Law, to (i) adjust the Conversion Ratio such that the number of Conversion Shares increases in accordance with calculation made pursuant to the broad-based weighted average anti-dilution protection in accordance with **SCHEDULE 3** (*Broad Based Anti-Dilution Protection*); or (ii) issue additional Equity Shares or instruments/ Equity Securities convertible into Equity Shares to the Investor, either directly and/or to their respective nominees (as may be opted by the Investor), at such time as indicated by the Investor and for no additional consideration or consideration other than cash and if not permissible under applicable Law, at the lowest permissible consideration under applicable Law such that the Investor price per share is reduced to the price arrived at pursuant to the calculations made in accordance with **SCHEDULE 3**.
- 7.3 In case of a Corporate Action Event, the Company shall forthwith take all necessary steps, at the sole option of the Investor, to (i) adjust the Conversion Ratio such that the number of Conversion Shares increases in accordance with calculation made pursuant to the broad-based weighted average anti-dilution protection in accordance with **SCHEDULE 3**; and/or (ii) issue additional Equity Shares or instruments/ Equity Securities convertible into Equity Shares

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to the Investor, either directly and/or to their respective nominees (as may opted by the Investor), at such time as indicated by the Investor and for no additional consideration or consideration other than cash and if not permissible under applicable Law, at the lowest permissible consideration under applicable Law, the effect of which shall be such that there is no Dilution Event on account of such Corporate Action Event.

- 7.4 For the purposes of this Clause 7, the Parties shall be bound to co-operate with each other. Further, if the adjustment as contemplated in this Clause 7 cannot be undertaken due to applicable Law, then the Parties shall mutually discuss and agree on an alternative to achieve the adjustment as aforesaid including without limitation through the issuance of rights shares, bonus shares, etc. to the Investor or its nominee as the case may be.
- 7.5 Nothing contained in this Clause 7 shall apply to the following categories of issuance of Equity Securities by the Company:
- 7.5.1 Equity Securities issued pursuant to any ESOP or options granted under such ESOP;
- 7.5.2 Equity Securities issued to the Investor and/or its nominees pursuant to this Clause 7;
- 7.5.3 The issuance of Equity Securities in an IPO or QIPO;
- 7.5.4 Equity Shares issued upon conversion of the Series A CCPS into Equity Shares; and
- 7.5.5 Equity Securities issued to banks and/or financial institutions pursuant to any credit facilities availed after the date of this Agreement with the written consent of the Investor.

8. EXIT

8.1. Within a period of 54 months from the Closing Date, (the "QIPO Period"), the Company and the Promoters shall utilize their best endeavours to provide the Investor an exit through the undertaking of a QIPO, in accordance with Clause 8.2 below. If the Company is not able to successfully complete a QIPO or IPO within the QIPO Period, then the Company shall be obligated to provide alternative exit options to the Investor after the expiry of the QIPO Period, in the manner provided in this Clause 8.

8.2. QIPO.

8.2.1. The Company shall determine the following matters in connection with the QIPO, which decision shall not be undertaken without obtaining the prior written consent of the Investor:

- (a) whether the public offering shall be by a fresh issue of Equity Shares by the Company and/ or an offering of Equity Shares for sale by the Shareholders;
- (b) the price at which the Equity Shares shall be issued / offered to the public;
- (c) the quantum of Equity Shares to be comprised in the issue / offering including that of the Parties; and
- (d) the appointment of lead managers, merchant bankers, bankers, registrars, financial advisors, issue managers and other intermediaries.

8.2.2. In the event of an Offer for Sale, the Investor shall be entitled to offer some or all of its

shareholding for sale in the QIPO.

- 8.2.3. In any QIPO undertaken by the Company, the Promoter shall offer such number of Equity Securities as may be required to fulfill the lock-in requirements under applicable Law.
- 8.2.4. Except as otherwise directed by SEBI, for the purposes of a QIPO and subject to applicable Law, the Investor shall not be considered as a "promoter" of the Company and therefore the Equity Securities held by the Investor (including any Equity Shares held by it pursuant to conversion prior to a QIPO or IPO) shall not be subject to any lock-in conditions applicable to promoters, for and after the IPO.
- 8.2.5. The Parties jointly and severally undertake to do the following, in connection with the QIPO:
- (a) The Promoters and the Investor undertake to exercise their voting rights (at the meetings of the Board of the Company and the Shareholders), and to cause the Board of the Company to take all steps necessary for the Company to undertake a QIPO, including but not limited to, preparing and signing the relevant offer documents, providing all necessary information and documents necessary for preparing the offer document, obtaining all Consents and doing such further reasonable acts or deeds as may be necessary for undertaking a QIPO.
  - (b) Ensure that the total offer of Equity Shares to the public shall constitute not less than such percentage (as prescribed under the applicable Law) of the total post issue paid-up share capital of the Company to comply with the listing requirements of the concerned Stock Exchanges and the concerned regulatory authority.
  - (c) Provide all material information that is necessary to file the prospectus and other documents in relation to the QIPO, and ensure compliance with all Law including the Act, the SEBI Regulations, the listing agreement, etc.
  - (d) All expenses in connection with a QIPO or an Offer for Sale or both shall be borne by the Company.
- 8.2.6. The provisions of this Clause 8.2 shall apply to any IPO of the Company.

8.3. Buyback & Put option

8.3.1. If the Company has been unable to complete a QIPO within the QIPO Period, then at any time within the Exit Period, the Investor shall have, at its own discretion, the right to require the Company to buy back and/ or the Promoters to exercise any or a combination of the following rights, by issuing a notice to the Company and the Promoters, stating the right which it intends to exercise ("**Option Notice**") and the details of the Equity Securities with respect to which it intends to exercise its rights under this Clause 8.3.

8.3.2. Buyback

- (a) If the Investor wishes to exercise its right of buyback by way of the Option Notice, the Company shall, subject to applicable Law, buy back all the Investor Shares within 60 (sixty) Business Days from the delivery of the Option Notice (the "**Buyback**"). The



Investor shall have the right to call upon the Company to convert all Equity Securities held by it into Equity Shares, and then complete a buy back of the Equity Shares held by the Investor as on the date of the Option Notice. The price to be paid by the Company to the Investor, shall be the higher of (i) the Fair Market Value of the Investor Shares; or (ii) 2 (two) times the aggregate of the Investment Amount inclusive of any cash/ accrual payments of interest or coupon already paid, on an INR basis ("**Buyback Price**") provided that any Tax payable by the Investor on receipt of any consideration shall be borne entirely by the Investor.

- (b) The Company shall, and the Promoters shall cause the Company to, undertake all procedures necessary under the Act to effect the Buyback including obtaining the approval of the Board and Shareholders of the Company by way of the requisite Board and Shareholders' resolutions and shall effect the Buyback on or prior to the expiry of 60 (sixty) Business Days from the delivery of the Option Notice. Provided that it is permissible under applicable Law, the Promoters hereby agree to waive their right with respect to Buyback of the Equity Securities held by the Promoters upon receipt of the buyback notice issued by the Company.
- (c) The rights granted under this Clause 8.3.2 shall be available only to the Investor, subject to applicable Laws. All the existing Shareholders (other than the Investors) agree to waive any rights that they may have (contractual, statutory or otherwise) to participate in the Buyback if such participation affects the ability of the Investor to tender and sell all the Equity Securities held by the Investor in Buyback pursuant to this Clause 8.3.2.

#### 8.3.3. Put Option

- (a) The Investor shall have the right to require the Promoters to purchase all the Investor Shares by delivering the Option Notice ("**Put Option**"). The Company and the Promoters shall undertake all procedures and obtain all Consents necessary to effect the purchase by the Promoters of all the Investor Shares subject to the Option Notice, including obtaining the necessary Board and Shareholder resolutions of the Company. The price to be paid by the Promoters to the Investor shall be, subject to applicable Law, the higher of (i) the Fair Market Value of the Investor Shares; or (ii) 2 (two) times the aggregate of the Investment Amount including any cash/ accrual payments of interest or coupon already paid, on an INR basis ("**Put Option Price**"), provided that any Tax payable by the Investor on receipt of any consideration shall be borne entirely by the Investor.
- (b) The purchase of the Investor Shares by the Promoters shall be completed within 30 (thirty) Business Days from the date of delivery of the Put Notice.
- (c) The Investor shall not be required to provide any representations, warranties or indemnities in connection with sale/ buyback except regarding the title to and ownership of, the Investor Shares held by it.

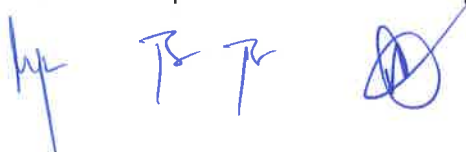
#### 8.4. Drag Right

8.4.1. At any time during the Exit Period or thereafter, the Investor shall, by delivering the Option



Notice, have the right to require the Company to appoint a reputed investment banker, as may be acceptable to the Investor, to facilitate the sale of the Investor Shares to a Third Party (including a Competitor) at a price and terms acceptable to the Investor. The fees and other expenses in relation to the appointment of the investment banker and the transaction shall be borne by the Company, provided that any Tax payable by the Investor for the sale of Investor Sale Securities (defined herein below) on receipt of any consideration shall be borne entirely by the Investor.

- 8.4.2. The Investor shall have the right to Transfer (i) all or any of the Investor Shares in case of a Transfer only by the Investor; and (ii) all (and not less than all) Investor Shares in case of exercise of rights under Clause 8.4.3 below (in each case the "**Investor Sale Securities**") to such Third Party. The Company shall, and the Promoters shall cause the Company to undertake all procedures and obtain all Consents necessary to effect the sale and purchase by the Third Party of the Investor Sale Securities.
- 8.4.3. If the Third Party requires any additional shareholding to be Transferred to consummate the transaction, the Investor shall have the right to require the Promoters to offer such number of Equity Securities from their shareholding, at a price and on terms and conditions no less favourable than those offered to the Investor ("**Drag Securities**") as may be required to give effect to the Drag Right of the Investor (as defined below) and the Promoter shall, upon request by the Investor, be obligated to Transfer the Drag Securities to the Third Party, including a Competitor (the "**Drag Purchaser**"), along with the Investor Sale Securities. Provided however that if as a result of the Drag Right, the aggregate shareholding of the Promoters falls below 20% (twenty percent) on a Fully Diluted Basis, the Promoters shall have a right to require the Investor to ensure that the Drag Purchaser acquires all and not less than all Equity Securities held by the Promoters along with the Investor Sale Securities. This right of the Investor to require the Promoters to sell all or some of their Equity Securities to the Drag Purchaser shall be referred to as the "**Drag Right**" and shall be exercised in the manner set forth hereinafter.
- 8.4.4. In the event that the price offered by the Drag Purchaser for the Investor Shares is less than two (2) times the aggregate of the Investment Amount including any cash/ accrual payments of interest or coupon already paid, on an INR basis, then the Promoters shall have the right to purchase the Investor Shares at such price offered by the Drag Purchaser. Within 75 (seventy-five) calendar days from the date of price offered by the Drag Purchaser, the Promoters shall issue a written notice to the Investor of them exercising their right to purchase the Investor Shares at the price offered by the Drag Purchaser along with reasonable documentary evidence to display availability of, or accessibility to, requisite funds with the Promoters for the purchase of Investor Shares. The Promoters shall purchase the Investor Shares at such price offered by the Drag Purchaser within 45 (forty-five) calendar days from the date of issuance of the written notice by the Promoters to the Investor as aforementioned.
- 8.4.5. If the Investor exercises the Drag Right, it shall issue a written notice ("**Drag Notice**") to the Promoters ("**Dragged Sellers**") calling upon them to Transfer the Drag Securities on date specified therein within 60 (sixty) days from the date of the Drag Notice (the "**Drag Completion Date**"). Subject to Clause 8.4.3 above, the Dragged Sellers shall be bound and obligated to Transfer the Drag Securities specified in the Drag Notice to the Drag Purchaser simultaneously with a Transfer of the Investor Sale Securities on the Drag Completion Date. The distribution of the proceeds from the sale pursuant to the Drag Right shall be subject to



the provisions of Clause 17 below.

- 8.4.6. The Parties hereby covenant to take all steps necessary to give effect to the provisions of this Clause 8.4 including the passing of all necessary resolutions and obtaining all necessary Consents.
- 8.4.7. Each Promoter shall provide to the Drag Purchaser all customary representations, warranties and indemnities in connection with the sale of Drag Securities and the Company to the Drag Purchaser.
- 8.5. The Parties agree and undertake that the obligation of the Company and the Promoters to provide an exit to the Investor in accordance with Clause 8.4 above shall not be limited to the Exit Period.
- 8.6. Promoter Incentive Plan. Upon the Investor being provided complete exit in accordance with this Clause 8 (where Investor does not hold any Equity Security of the Company), if the Investor has received an IRR of more than 25% (twenty five percent) on an INR basis on the Investment Amount from the Closing Date till the date of exit, after payment of all costs and Taxes ("**Incentive Threshold**"), the Investor shall be required to incentivize the Promoters to the extent of 30% (thirty percent) of the Net Capital Gains achieved by the Investor in excess of the Incentive Threshold ("**Promoter Incentive Plan**"). Subject to applicable Law, the Promoter Incentive Plan may be achieved by way of transfer of the amount due as per the Promoter Incentive Plan as cash or Equity Securities equivalent to such amount, to the Promoters by the Investor, or such other mechanism as may be mutually agreed by the Parties.

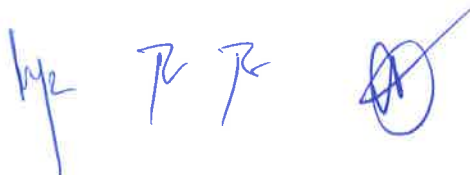
For the purpose of this Clause 8.6,

"**IRR**" shall mean the discount rate at which the present value of cash outflows equals the present value of cash inflows as of the Closing Date. Any calculation of IRR to be received by the Investor shall include only payments made by the Company or a Third Party to the Investor, except where the Promoters have made such payments on behalf of the Company. The IRR will be determined in accordance with the IRR Calculation Method. The "**IRR Calculation Method**" means the method for determining the IRR by using the exact dates of cash outflows and cash inflows, and using the XIRR function in Microsoft Excel to determine the IRR based on the above mentioned cash flows. It is hereby clarified that the following shall not form part of the IRR:

- (a) Any payments made by the Company and/ or the Promoters under Clause 19 of this Agreement or Clauses 12 or 13 of the SSA;
- (b) Any payments made by the Company under Clause 27 of the SSA.

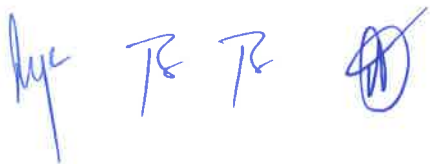
"**Net Capital Gains**" shall mean the capital gains received by the Investor over and above the Investment Amount after deduction of necessary costs and Taxes payable by the Investor for such exit.

9. COVENANTS AND OBLIGATIONS OF THE COMPANY AND THE PROMOTERS



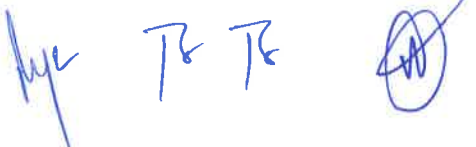
The Company and the Promoters, jointly and severally, covenant and undertake with respect to the Company and the Subsidiaries as follows:

- 9.1. The Company and the Promoters shall ensure that all the transactions, contracts, arrangements or understandings entered into or proposed to be entered into between the Company and its Related Parties shall be (i) on commercially justifiable terms and at an arms-length arrangement; and (ii) subject to the approval of the Investor as set forth in Clause 14 (*Reserved Matters*) below.
- 9.2. No solicitation. Without prejudice to the generality of the foregoing, the Promoters agree and undertake that on and from the Closing Date and until the Investor holds any Equity Securities in the Company ("**Limited Period**"), they shall not and shall procure that their Affiliates shall not, whether directly or indirectly, by themselves or together with or through any Person, in any manner whatsoever, (whether in their own capacity or in conjunction with or on behalf of any Person) do or undertake or attempt to do or undertake any of the following activities:
  - 9.2.1. propose to, canvass, solicit, entice away or attempt to canvass, solicit or entice away from the Company and/ or the Subsidiaries any of their customers, clients, franchisees, vendors, lessor, representative, agent, franchisees, business associates and/or employees ("**Restricted Persons**"), whether or not such Person would commit a breach of contract by reason of such act and or assist, influence, encourage or induce any of the foregoing action in any manner whatsoever;
  - 9.2.2. provide any know-how or technical assistance to any Person (other than the Company and the Subsidiaries) in relation to the Business.
- 9.3. Non-compete. The Promoters agree and undertake that on and from the Closing Date and during the Limited Period, they shall not and shall procure that their Affiliates shall not, whether directly or indirectly, by themselves or together with or through any Person, in any manner whatsoever (whether in their own capacity or in conjunction with or on behalf of any Person), do or undertake or attempt to do or undertake any of the following activities:
  - 9.3.1. commence, establish, promote, finance, engage in, carry on, join in, participate in, manage, advise, operate, control, conduct, own, invest in or have an interest in any business, venture or Person which is competing or in competition with the Business of the Company and/ or the Subsidiaries in any manner whatsoever, including initiating any new activities or expansion related to the Business or any other business undertaken by the Company and/ or the Subsidiaries, through any Person, including any Person in which they have any interest. Nothing contained in this Clause 9.3 shall apply to any investment made by the Promoters and/or their Affiliates in any listed business or venture or company provided that: (i) such investment is purely a financial investment and in no manner whatsoever can be deemed to be a strategic investment or one seeking or providing control over the business, venture or company; and (ii) such investment does not result in the Promoters and/or their Affiliates holding in aggregate, more than 5% (five percent) beneficial interest in such business competing with the whole or any part of the Business of the Company and/ or the Subsidiaries;





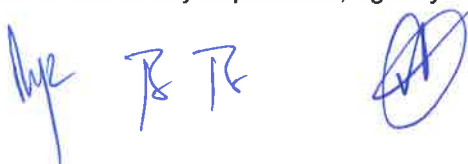
- 9.3.2. provide financial assistance, or technical, managerial or any other services (whether for consideration or free of charge), in any manner to, or be Affiliates with, any Competitor;
- 9.3.3. through Rochem Green Energy Private Limited ("RGE"), commence any other business that competes with the Business (including any new activities or expansion related to the Business), expand its waste-to-energy concession business and/ or waste management concession business or devote more than 3 (three) Business Days in a calendar month towards the business of RGE;
- 9.3.4. enter into any business, which is similar or identical to, or that competes with, the Business of the Company and/ or the Subsidiaries, or any business that the Company or its Subsidiaries may undertake, in any manner, anywhere in the world; and
- 9.3.5. for its own account or as agent, consultant, or shareholder of, or as owner of any equity or economic interest in, any other Person, engage or attempt to engage or assist any Competitor or other Person to engage in any business activity that is competitive with, or similar or identical to, the Business of the Company and/ or the Subsidiaries, or any business that the Company or its Subsidiaries may undertake, anywhere in the world.
- 9.4. The Promoters agree that the mutual promises forming a part of the investments made by the Investor constitute sufficient consideration for the obligations imposed on the Promoters under Clauses 9.2 and 9.3 above and for the good-will of the Business of the Company and/ or the Subsidiaries. The Promoters acknowledge that the restrictions on their activities under Clauses 9.2 and 9.3 above constitute a material covenant for the investments made by the Investor, and further acknowledge, stipulate and agree that a breach of any of the obligations and agreements set forth in Clauses 9.2 and 9.3 above will result in irreparable harm and continuing damage to the Investor for which there will be no adequate remedy at Law. The Promoters agree that in the event of any breach of the said obligations and agreements, the Investor and its successors and assigns will be entitled to injunctive relief and to such other relief as is proper under the circumstances. The Promoters hereby acknowledge and agree that the limitations as to time and the limitations of the character or nature placed in Clauses 9.2 and 9.3 above are reasonable and fair and will not preclude them from earning a livelihood, nor will such limitations unreasonably impose limitations on their ability to earn a living. The Promoters have given careful consideration to the restraints imposed upon them by this Agreement, and are in full accord as to their necessity for the reasonable and proper protection of and the goodwill associated with the Business of the Company and/ or the Subsidiaries.
- 9.5. Each Promoter acknowledges and agrees that no separate fee shall be payable to such Promoter for the restrictions provided in this Agreement and the consideration for such restrictions shall be the mutual covenants contained in the Transaction Documents.
- 9.6. Each Promoter further acknowledges that the restrictions contained in Clauses 9.2 and 9.3, (a) will be read and construed and will have effect as a separate severable and independent prohibition or restriction and will be enforceable accordingly; (b) do not constitute a restraint of trade and is not anti-competitive; and (c) are fair and reasonable as to period, scope,



territorial limitations and subject matter in order to protect the Business of the Company and/ or the Subsidiaries and the legitimate interest of the Investor.

- 9.7. Focus on Business and Activities of the Company. The Parties agree, and the Promoters shall ensure, that the Company and the Subsidiaries undertake the Business and such other businesses as may be approved by the Investor in accordance with Clause 14. The Promoters hereby covenant and undertake to (i) devote substantial time, efforts and resources to the Business, activities, operations and functioning of the Company and the Subsidiaries; and (ii) at all times work in the best interests of the Companies and the Subsidiaries. The Promoters further acknowledge that the Investor has agreed to invest in the Company and hold the Investor Shares on account of the Promoters' undertaking that they shall work in the best interests of the Company and the Subsidiaries.
- 9.8. Management. The Promoters and the Key Management Team shall be in charge of the day-to-day management of the Company and the Subsidiaries.
- 9.9. Employees and Resources of the Company. The Company and the Promoters expressly covenant and undertake that employees and resources of the Company and the Subsidiaries shall at all times be employed/ utilized only towards the Business and activities of the Company and/ or the Subsidiaries and shall at no instance be deployed or diverted towards carrying out any work/ activities for any Affiliate of the Promoters. The Company shall further enter into appropriate employment agreements with all the present and future members of its Key Management Team covering confidentiality, non-compete, non-solicitation, exclusivity and IP assignment obligations.
- 9.10. Anti-corruption. The Company shall not, and the Promoters shall ensure that the Company and the Subsidiaries do not violate the United States Foreign Corrupt Practices Act, 1977, the U.K. Bribery Act, 2010, Prevention of Corruption Act, 1988, Prevention of Money Laundering Act, 2002 or any other applicable anti-bribery or anti- corruption law, or promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, any officer, employee or any other person acting in an official capacity for any Government Entity, to any political party or official thereof or to any candidate for political office (individually and collectively, a "**Government Official**") or to any person under circumstances where such Company and/ or the Subsidiary knows or is aware of a high probability that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, for the purpose of:
- (a) influencing any act or decision of such Government Official in his official capacity; (ii) inducing such Government Official to do or omit to do any act in relation to his lawful duty; (iii) securing any improper advantage; or (iv) inducing such Government Official to influence or affect any act or decision of any Government Entity.
  - (b) assisting the Company and/ or the Subsidiaries in obtaining or retaining business for or with, or directing business to the Company or the Subsidiaries.

The Promoters shall ensure that the Company and the Subsidiaries maintain systems of internal accounting controls to ensure compliance with applicable anti-bribery or anti-corruption Laws. For the purpose of this Clause, "**Government Entity**" means any government or any department, agency or instrumentality thereof, including, but not limited to,

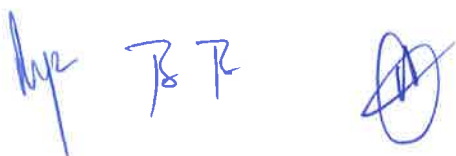


any entity or enterprise owned or controlled by a government, or a public international organization.

- 9.11. Action Plan. The Company shall, and the Promoters shall ensure that the Company and the Subsidiaries shall implement and comply with the Action Plan and undertake the Business of the Company and/ or the Subsidiaries in compliance with the Applicable S&E Law. The compliance with the Action Plan and the Applicable S&E Law shall be reviewed by a Third Party service provider appointed by the Investor on an annual basis. Based on the findings of such Third Party service provider, the Action Plan, as presently set out in **SCHEDULE 5**, shall be revised/ modified mutually by the Investor, the Company and the Promoters, if deemed necessary by such Third Party service provider, and the Company shall implement and comply with such revised/modified Action Plan, as the case may be, from time to time.
- 9.12. Transactions with Prohibited Persons. The Company shall not, and the Promoters shall ensure that the Company and the Subsidiaries shall not:
- (a) enter into any transaction or engage in any activity prohibited by any resolution of the United Nations Security Council under Chapter VII of the United Nations Charter.
  - (b) conduct business or enter into any transaction with, or transmit any funds through, a Shell Bank.

If any of the Companies, Subsidiaries and/or the Promoters become aware of any violation of Clause 9.10 or Clause 9.12, such Person shall promptly within 7 (seven) Business Days from the date of becoming aware of such violation, notify the Investor in writing, and the Company and such other party shall cooperate in good faith with the Investor and its representatives in determining whether such a violation has occurred, and shall respond promptly and in reasonable detail to any notice from the Investor, and shall furnish documentary support for such response upon the Investor's request.

- 9.13. Insurance. The Company shall and the Promoters shall cause the Company and the Subsidiaries to obtain and maintain at all times (i) insurance policies customarily held by companies of the similar value/ size or similar business as the Company and the Subsidiaries (as applicable); (ii) where applicable, insurance policies which are in accordance with any insurance coverage requirements set out in a contract to which it is a party (or by which it is bound), including the directors' and officers' liability insurance as required to be obtained under the Share Subscription Agreement.
- 9.14. Business Plan. For each Financial Year, the Promoters along with the Key Management Team shall prepare and provide to the Investor at least 30 (thirty) days prior to the end of the previous Financial Year (i) an annual business plan, including, the profit and loss statement, balance sheet and cash flow statement, outlining expectations on the Company's as well as the Subsidiaries' financial performance and specifying, amongst other things, operational milestones, revenues originating from various existing and new segments, associated costs, capital expenditures, required financing, corporate overheads, labor costs, general and administrative expenses, production particulars, etc. ("**Draft Business Plan**") in a form satisfactory to the Investor and the Promoters and present it to the Board of the Company for approval. The form of the Draft Business Plan is attached in **SCHEDULE 6**. Upon the Board of the Company approving the Draft Business Plan for a Financial Year ("**Business Plan**"), a



copy of the same shall be provided to the Investor and acknowledged by the Investor, and the Company and the Promoters shall adhere to the Business Plan.

9.15. OFAC.

9.15.1. The Company shall not directly or indirectly use the Subscription Amount or lend, contribute or otherwise make available the Subscription Amount to any subsidiary, joint venture partner or other person for the purpose of funding or facilitating any activities or business of or with any person towards any sales or operations in Cuba, Iran, Libya, Syria, Sudan, the Democratic People's Republic of Korea, Myanmar or any other country sanctioned by the Office of Foreign Assets Control of the U.S. Department of Treasury ("**OFAC**") or for the purpose of funding any operations or financing any investments in, or make any payments to, any person targeted by or subject to any sanctions administered by the OFAC, or by the U.S. Department of State, or any sanctions imposed by the European Union (including under Council Regulation (EC) No. 194/2008), the United Nations Security Council, Her Majesty's Treasury or any other relevant governmental entity and any activities sanctionable under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as amended or the Iran Sanctions Act, as amended (collectively, the "**Sanctions**").

9.15.2. The Company will use the Subscription Amount in accordance with the provisions of Clause 10 of the SSA. The use of Subscription Amount will be in compliance with and will not result in the breach by the Company, the Subsidiaries the Promoters, any officer, employee, director, agent, affiliate or person acting on behalf of the Company and/ or the Subsidiaries of the Sanctions; and the Company further covenants not to engage, directly or indirectly, in any other activities that would result in a violation of Sanctions by any person, including any person participating in the transaction.

9.16. Greenhouse Gas Audit. The Investor may require the Company and/ or the Subsidiaries to undergo a greenhouse gas audit annually, by a Third Party agency acceptable to the Investor. The Company shall, and the Promoters shall ensure that the Company and the Subsidiaries shall extend full cooperation and provide all necessary information and documents required for the conduct of such audit. All costs and expenses in relation to the conduct of such annual greenhouse gas audit shall be borne by the Company.

9.17. The Company shall, and the Promoters shall ensure that the Company and the Subsidiaries duly pay the requisite stamp duty on all agreements entered into by the Company and the Subsidiaries, if required and other than in the ordinary course of business.

10. COVENANTS OF ALL PARTIES

10.1. The Investor and Promoters shall as soon as reasonably practicable after the Closing Date, jointly formulate an appropriate ESOP plan for the employees of the Company, which shall not result in the dilution of the Investor's shareholding, up to 3% (three percent) of the pre-money share capital of the Tranche I Investment ("**Agreed ESOP**"). The Company shall and the Promoters shall undertake all procedures, including but not limited to approving the necessary Board and Shareholder resolutions of the Company, creating a trust and transferring/ issuing the requisite number of Equity Shares to such Agreed ESOP trust to give



effect to this covenant. Any issuance of Equity Securities to such Agreed ESOP trust beyond 3% (three percent) of the pre-money share capital of the Tranche I Investment will result in the dilution of all Shareholders.

- 10.2. Each of the Parties covenants that it shall, and shall cause such of its Affiliates as hold Equity Securities in the Company, at all times honour the spirit of this Agreement and shall do all acts, deeds and things as may be necessary to give full effect to the terms of this Agreement.
- 10.3. The Company and Promoters acknowledge that the Investor and/ or its Affiliates invest in numerous companies, some of which may compete with the Company and/ or its Subsidiaries. Subject to the terms of the Transaction Documents, the Promoters and the Company confirm that they have no objection to the Investor and/ or any of its Affiliates undertaking their business of investments in such competing ventures.
- 10.4. During the term of this Agreement, the Parties shall at all times do all such acts, deeds and things as may be necessary to ensure that the Restated Articles of the Company reflect in substantive terms, the provisions of this Agreement.
- 10.5. The Investor shall not be required to pledge any of its shares or offer any guarantee or collateral security in respect of any borrowing by the Company. In the event of creation of a pledge by the Promoters, in respect of any borrowing by the Company, the concerned member shall register the pledge with the Company, concurrent with the creation of such pledge.
11. USE OF SUBSCRIPTION AMOUNT
- 11.1. The Subscription Amount shall be used by the Company for mutually agreed purposes such as capital expenditure, overseas expansion and balance sheet enhancement to support additional working capital, subject to the Reserved Matters.
- 11.2. At any time after Closing, where the Company proposes to infuse any amount of capital, up to INR 5,00,00,000 (Rupees Five Crores only) into CBT, subject to the Business Plan and the provisions of Clause 14 hereunder, the Company shall do so by way of subscription to (i) equity shares of CBT, if the Promoters and Mr. Christopher Thannhauser simultaneously infuse a pro-rata amount of capital into CBT at the same valuation as the Company's investment, such that the inter-se shareholding structure of the Company and the Promoters in CBT remains unchanged or (ii) OCRPS, if the Promoters and Mr. Christopher Thannhauser do not infuse pro-rata amounts of capital into CBT simultaneously with the Company.
- 11.3. The Company and the Promoters shall ensure that at the time of investment by the Company into CBT, the articles of association of CBT shall incorporate the terms of the OCRPS as set forth in **SCHEDULE 7** to the maximum extent permitted under Law and the Company and the Promoters hereby agree to vote their equity shares and take such other actions as may be necessary to cause CBT to adopt the provisions of **SCHEDULE 7** into its articles of association at Closing, and to make all amendments thereto, including appropriate amendments to the articles of association, as may be required from time to time. Every shareholder of CBT, present and future, shall be deemed to join CBT with full knowledge of the terms and conditions set forth in this Agreement.



12. INFORMATION, REPORTING, INSPECTION AND ACCOUNTING STANDARDS

12.1. The Company shall and the Promoter shall cause the Company to provide to the Investor:

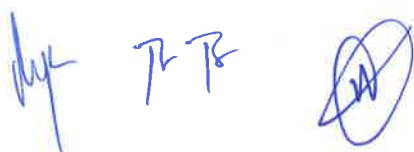
- (a) within 5 (five) Business Days from the last day of each month, copies of Management Reports;
- (b) within 150 (one hundred and fifty) calendar days following the closure of the preceding Financial Year, annual (audited) Financial Statements prepared in accordance with Indian GAAP;
- (c) within 30 (thirty) days after the end of each financial quarter, standalone unaudited Financial Statements for the Company and the Subsidiaries prepared in accordance with Indian GAAP;
- (d) within 45 (forty five) days after the end of each financial quarter, consolidated unaudited Financial Statements for the Company and the Subsidiaries prepared in accordance with Indian GAAP;
- (e) within 30 (thirty) days after the end of each financial quarter, internal quarterly income and cash flow statements for the Company and the Subsidiaries;
- (f) within 25 (twenty five) days after the end of each month, internal monthly MIS and marketing reports of the Company and the Subsidiaries in a format mutually agreed between the Promoters and the Investor prior to Closing.
- (g) any other material information including correspondence with the Company's and the Subsidiaries' auditors, material litigation, any relevant filings are made with regulatory agencies etc.;
- (h) such other information and periodical reports as the Investor reasonably requires.

12.2. Each of the Promoters and the Company shall procure that upon the Investor giving the relevant Company and/ or Subsidiary at least 3 (three) days prior notice and at the cost of the Investor unless a specific material breach or a probable material breach is proposed to be investigated by the Investor, the Investor and its representatives may, during normal business days and hours, (i) inspect and examine and take copies of the Books and Records and Accounts kept by the Company, (ii) access/inspect all properties of the Company, including, but not limited to, the office premises of the Company; and (iii) discuss, consult and/or interview the Business, action plans, budgets and finances and other aspects related to the Company and the Subsidiaries with the Directors and/or the Key Management Team of the Company and the Subsidiaries. All information provided by the Company and/or its Subsidiaries under this Clause 12 shall be deemed to be Confidential Information and shall be subject to confidentiality obligations under Clause 26.1 hereunder.

12.3. The Company shall maintain a system of accounting established and administered in accordance with Indian GAAP, as appropriate and as applicable, consistently applied, and will set aside on its books all such proper reserves as shall be required by applicable Law.

13. REGISTRATION RIGHTS

13.1. If any Equity Shares or other Equity Securities of the Company are listed or proposed to be listed on one or more stock exchanges overseas, then upon the request of the Investor, the Company shall take all such steps, do all such things, execute all such writings and make all regulatory applications and filings as may be required by Law for permitting or facilitating the



unrestricted sale and distribution of the Equity Securities held by the Investor on such exchanges to the extent permissible by applicable Law, such that the Equity Securities held by the Investor are freely transferable on such stock exchanges ("**Registration Rights**").

13.2. The Investor shall be entitled to demand that (i) all or part of the Equity Securities held by the Investor be converted into American Depository Receipts or Global Depository Receipts as permissible under applicable Law; and (ii) the Company register the Equity Securities of the Company held by the Investor with appropriate and necessary regulatory authorities required in connection with such offering. Such registration shall be at the expense of the Company, to the extent permissible under Law. Such offerings will be subject to limitations recommended by an independent qualified advisor.

13.3. The Investor will be entitled to piggyback rights (to make an Offer for Sale simultaneously) in all primary offerings and all other secondary offerings of the Company in connection with the Registration Rights, and will, subject to applicable Law, pay such expenses incurred in all piggyback registrations and expenses toward any such offering pro rata to its participation.

14. ITEMS OF BUSINESS REQUIRING CONSENT OF THE INVESTOR

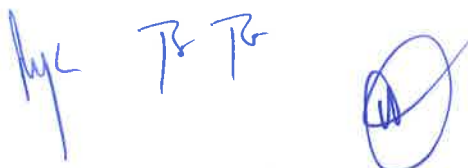
14.1 The Company shall, and each of the Shareholders shall, exercise or refrain from exercising all rights and powers available to it to procure that from the Closing Date, no resolution (whether of the Shareholders or the Directors, including committees of Board of the Company) or action constituting any of the matters set out in **SCHEDULE 4** (the "**Reserved Matters**") shall be passed or undertaken or occur with respect to the Company or any of the Subsidiaries (each a "**Group Company**") unless so approved in accordance with the provisions of this Clause 14. Without prejudice to the foregoing, the Company shall, and each of the Shareholders shall, procure that resolutions passed in breach of this Clause 14 (i.e. on any Reserved Matter on which the Investor Nominee Directors or any of the Investors have, pursuant to Clause 14.2, 14.3 and 14.4, not given their affirmative vote), shall not be effective. For the avoidance of doubt, it is clarified that the Promoters positive vote on all matters required to be undertaken by the Company and/or Subsidiaries shall be mandatory.

14.2 In respect of the Company:

- (a) a Reserved Matter which requires Board approval (under applicable Law, the Articles or any constitutive documents) shall not occur unless it has first been approved by the Board of the Company which shall include the affirmative vote of an Investor Nominee Director; and
- (b) a Reserved Matter which requires shareholder approval (under applicable Law, the Articles or any constitutive documents) shall not occur unless it has first been approved by the Shareholders which shall include the affirmative vote of the Investor.

14.3 In respect of a Group Company (other than the Company):

- (a) a Reserved Matter which requires Board approval (under applicable Law, the articles of association or any constitutive documents of such Group Company) shall not occur unless:



- (i) in the case of a Group Company (in respect of which, the Investor has exercised its right to appoint directors), it has first been approved by the Board of such Group Company which shall include the affirmative vote of the director appointed by the Investor to the Board of such Group Company; and
- (ii) in the case of a Group Company (in respect of which the Investor has not exercised its right to appoint directors), it has first been approved by the Board of such Group Company in accordance with the following procedure:
  - (x) such Reserved Matter shall not occur unless it has first been approved by the Board of such Group Company which shall include the affirmative vote of the director appointed by the Company to the Board of such Group Company;
  - (y) for the purposes of this Clause 14.3(a)(ii), the director appointed by the Company to the Board of such Group Company shall, subject to applicable Law, the articles of association or any constitutive documents of such Group Company, be instructed to vote in accordance with the prior decision taken by the Board of the Company in respect of a relevant Reserved Matter which shall, for the avoidance of doubt, include the affirmative vote of an Investor Nominee Director; and
  - (z) if, due to any reason whatsoever, the director appointed by the Company to the Board of such Group Company is unable to vote at the Board meeting of such Group Company in respect of the Reserved Matter in accordance with such instructions, such director shall insist (subject to applicable Law, the articles of association or any constitutive documents of such Group Company), that the Reserved Matter be discussed at a general meeting of such Group Company, in which case the procedure set out in Clause 14.3(b) shall be adhered to;
- (b) a Reserved Matter which requires shareholder approval (under applicable Law, the articles of association or any constitutive documents of the relevant Group Company) shall not occur unless it has first been approved by the shareholders of such Group Company (whether or not the Investor has appointed directors to the Board of such Group Company) which shall include the affirmative vote of the Company. For the purposes of this Clause 14.3(b), the Company shall vote in accordance with the prior decision taken by the Board of the Company in respect of the relevant Reserved Matter which shall, for the avoidance of doubt, include the affirmative vote of an Investor Nominee Director.

14.4 For the purposes of this Clause 14, a decision to be taken by the Board of the Company may be taken by way of a circular written resolution of the Board in lieu of a physical Board meeting, such resolution to include the affirmative vote of Investor Nominee Directors.

14.5 If any other provision of this Agreement conflicts with the provisions of this Clause 14, the provisions of this Clause 14 shall prevail and be given effect.





15. MANAGEMENT OF THE COMPANY

15.1. On the Closing Date, the Board of the Company shall be reconstituted to consist of 5 (Five) Directors.

15.2. Composition. The Investor shall have the right to appoint at least 2 (two) Directors on the Board of the Company (each, an "Investor Nominee Director"). The Promoters shall have the right to nominate 3 (three) Directors (the "Promoter Nominee Directors") and shall always have the right to appoint a majority of the Directors on the Board of the Company. The nominee Directors shall not be required to hold qualification shares and shall not be liable to retire by rotation. The nominee Directors shall have all the rights enjoyed by other Directors on the Board of the Company, and any other rights under Law.

The Investor shall also have the right to pro-rata representation on the Board of all the Subsidiaries and other companies set up by the Company and/ or its Subsidiaries, such that the Promoters have a majority and the Investor has a minority representation on the Board(s) of such Subsidiaries and other companies set up by the Company and/ or its Subsidiaries.

15.3. Alternate Director. Any Party having the right to nominate a Director shall have the right to nominate an alternate Director to the nominee Director in accordance with the provisions of the Act. The Company and the Shareholders shall take all steps necessary to secure the appointment of the alternate Director. The alternate directors so appointed shall be entitled to attend the meetings of the Boards of the Company and/ or the Subsidiaries, as the case may be, and vote in the event the nominee Director is unable to attend any meeting of the Boards of the Company and/ or the Subsidiaries, as the case may be. Any such alternate director shall be considered for the constitution of the quorum and shall be entitled to attend and vote at such meetings in place of the original director and generally to perform all functions of the original director in his absence.

15.4. Board committees.

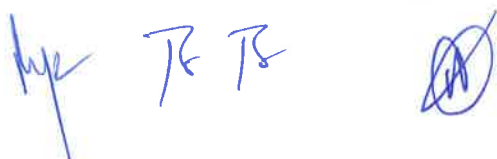
15.4.1. The Boards of the Company and/ or the Subsidiaries shall resolve to establish committees, which will have delegated responsibility for dealing with specific functions otherwise carried out by such Boards, including a compensation committee and audit committee.

15.4.2. The Investor shall have the right to pro-rata representation, as the Board(s) of the Company and/ or the Subsidiaries, on any committee formed by such Board.

15.4.3. Audit Committee. The audit committee shall be constituted in accordance with the provisions of the Act and shall carry out such functions as directed by the relevant Board of the Company and/ or its Subsidiaries.

15.4.4. Compensation Committee. The compensation committee shall be constituted in accordance with the provisions of the Act and shall bear responsibility for reviewing and approving the compensation of the Key Management Team and other senior employees of the Company and/ or its Subsidiaries.

15.5. The nominee Directors shall be entitled to receive all notices, agenda (and all information and



documents circulated to the Board(s) of the Company and/ or the Subsidiaries and the Shareholders in connection with meetings of the Board(s) of the Company and/ or the Subsidiaries), etc. and to attend all such meetings, shareholders meetings and meetings of any committees of the Board(s) and the shareholders of the Company and/ or the Subsidiaries.

15.6. Board Meetings.

15.6.1. Number of Board Meetings. Each of the Boards of the Company and the Subsidiaries shall meet at least 4 (four) times in every calendar year; *provided that*, not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive Board meetings. Subject to applicable Law, a Board meeting may also be held by video conferencing and/or any other permitted means remote participation.

15.6.2. Notice. A Board meeting may be called by a Director and 14 (fourteen) days' written notice of each meeting of the Board or a committee thereof shall be given to each of the Directors at the address notified from time to time by each of them, in writing to the Company, whether in India or abroad, *provided that* a meeting may be convened by a shorter notice with written consent (which may be signified by letter, facsimile or e-mail with receipt acknowledged) of all the Directors.

15.6.3. Contents of the Notice.

(a) Every notice of a Board meeting of the Company and/ or the Subsidiaries shall set forth in full and sufficient detail each item of the business to be transacted thereat, and no item or business shall be transacted at such Board meeting, unless the same has been stated in full and in sufficient detail in the notice convening the meeting, except as otherwise consented to by all the Directors, or their respective alternate directors.

(b) The draft resolutions and other documents for all matters to be considered at the Board meetings of the Company and/ or the Subsidiaries must be furnished to all the Directors along with the notice for such Board meeting.

15.6.4. Quorum. Apart from the requirements of the Act, the presence of at least 1 (one) Investor Nominee Director, if any, and 1 (one) Promoter Nominee Director, personally or by way of video conference throughout the meetings of the Boards of the Company and/ or the Subsidiaries shall be required to constitute valid quorum. If the Investor Nominee Director, if any, or the Promoter Nominee Director, is not present at any meeting of the Board of the Company and/ or the Subsidiaries ("**Initial Meeting**") within 30 (thirty) minutes of the scheduled time, the meeting shall be adjourned to same day and time of the subsequent week, unless otherwise agreed by all the Directors, and if that day is not a Business Day to the immediately succeeding Business Day ("**First Adjourned Meeting**"). If an Investor Nominee Director or the Promoter Nominee Director is not present at such First Adjourned Meeting, within 30 (thirty) minutes of the scheduled time, then the meeting shall again be adjourned ("**Second Adjourned Meeting**") to the same day and time of the subsequent week, unless otherwise agreed by all the Directors, and if that day is not a Business Day to the immediately succeeding Business Day. If an Investor Nominee Director or the Promoter Nominee Director is not present at such Second Adjourned Meeting, the Directors present



shall constitute valid quorum, *provided that* at least 2 (two) Directors are present. The agenda for the Initial Meeting shall be the agenda for the Adjourned Meeting, and material matters which are not specifically defined and stated in the agenda for the Initial Meeting shall in no event be taken up for discussion or approved at the Adjourned Meeting, it being understood and agreed by the Parties that any matters in respect of Reserved Matters shall in no event be discussed or approved by the Board of the Company and/ or the Subsidiaries without the presence of an Investor Nominee Director (and the approvals required by Clause 14 (*Reserved Matters*)).

- 15.6.5. Resolutions. Subject to Clause 14 (*Reserved Matters*), a decision shall be said to have been made and/or a resolution passed at a meeting of the Board of the Company and/ or the Subsidiaries only if at a validly constituted meeting, such decisions are approved of by a majority of the Directors, present and voting at such Board meeting.
- 15.6.6. Sitting fees. The payment of sitting fees shall be governed by the policy of the Company in this regard as may be in force from time to time.
- 15.6.7. Resolution by circulation or written consent. No resolution shall be deemed to have been duly passed by a Board of the Company and/ or the Subsidiaries, or a committee thereof by circulation or written consent, unless the resolution has been circulated in draft, together with the information required to make a fully-informed good faith decision with respect to such resolution, to all Directors, or to all members of the relevant committee, at their usual address (whether in India or abroad) or through electronic means, and has been approved (subject to the Clause 14 (*Reserved Matters*)), by majority of the Directors.
- 15.7. Removal/Resignation of Directors. The Company and the Shareholders shall not remove any nominee Director. Each Party entitled to nominate a Director shall have the right to require the removal of such nominee at any time and shall be entitled, to nominate another Person as the nominee Director in place of the Person removed. In the event of the resignation, retirement or vacation of office of the Director nominated by any Party, such Party shall be entitled to nominate another Person as Director in place of such Director and the Shareholders shall exercise their rights in such manner so as to cause the appointment of such Person as nominee Director to the Board of the Company and/ or the Subsidiaries.
- 15.8. Chairman
- The chairman of the Board of the Company and/ or the Subsidiaries shall not have a second or casting vote.
- 15.9. Liability of Investor Nominee Director
- 15.9.1. Non-Executive Director. The Promoters and the Company expressly agree that the Investor Nominee Directors will be non-executive Directors in accordance with the Act.
- 15.9.2. Not to Be Responsible for Day-to-Day Management. The Promoters and the Company expressly agree and undertake that the Investor Nominee Director shall not be in charge of, or responsible for the day-to-day management of the Company and shall not be deemed to be "officers in default" as the term is defined in the Act and shall accordingly not be liable for any default or failure of Company and/or the Subsidiaries in complying with the provisions of

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any applicable Law. The Promoters and the Company expressly agree that Investor Nominee Directors shall not be identified as an occupier of any premises used by Company or an employer of the employees of Company.

16. SHAREHOLDERS' MEETINGS

- 16.1. General Meetings. An annual general meeting of the Shareholders of the Company shall be held within 6 (six) months of the end of each financial year of the Company. Subject to the foregoing, the Board of the Company or the Parties may convene an extraordinary general meeting of the Shareholders of the Company whenever they deem appropriate.
- 16.2. Notice for a general meeting. At least 21 (twenty one) calendar days prior written notice of every general meeting of the Shareholders of the Company shall be given to the Shareholders, provided that a meeting may be convened with shorter notice with consent of 95% of the members entitled to vote (including the Investor). The notice of each general meeting of Shareholders shall include an agenda setting out the place, date and time and business proposed to be transacted at the meeting, together with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled at the general meeting and not business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting.
- 16.3. Quorum. The quorum for a general Meeting of the Shareholders, shall be as provided under the Act and must include at least 1 (one) authorized representative of the Investor (unless waived by the Investor in writing) and an authorized representative of the Promoter, in order to constitute a valid quorum for the meeting. If on the date of the general meeting, a valid quorum is not present, the meeting shall automatically stand adjourned to the same day and time and at the same venue in the following week; provided that (A) no business or items not being part of the agenda of the original meeting shall be dealt with in such adjourned meeting; and (B) no business concerning any of the Reserved Matters shall be discussed or approved at such adjourned meeting unless such Reserved Matter has been approved in writing by the Investor and the Company has received such written approval prior to the meeting.
- 16.4. Voting Rights available to the holders of Series A CCPS:
- 16.4.1. The Parties agree that with respect to voting rights exercised at any meeting of the Shareholders of the Company, the holders of Series A CCPS shall enjoy such voting rights available to the extent permissible pursuant to the Act, carry voting rights as if Series A CCPS have been fully converted into Equity Shares.
- 16.4.2. Each Series A CCPS shall entitle the holder to the number of votes equal to the number of Equity Shares into which such Series A CCPS could then be converted. To this effect, each Shareholder holding Shares with voting rights agrees that, if applicable Law does not permit any holder of Series A CCPS to exercise voting rights on all or any Shareholder matters submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares) (the "**Non-Voting Preference Shares**"), then until the conversion of all such Non-Voting Preference Shares into Equity Shares, each Shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the Shareholders or provide proxies without instructions to the holders of the Non-Voting Preference Shares for the purposes of a general meeting of the Shareholders, in respect of



such number of Equity Shares held by each of them such that a relevant percentage (the "Relevant Percentage") of the Equity Shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares. For the purposes of this Clause 16.4.2, the Relevant Percentage in relation to a holder of Non-Voting Preference Shares shall be equal to the percentage of Equity Shares in the Company that such Non-Voting Preference Shareholder would hold if such Non-Voting Preference Shareholder was to elect to convert its Series A CCPS into Equity Shares based on the then applicable Conversion Ratio for each Series A CCPS held by such holder. The obligation of the Shareholders to vote their Shares as aforesaid shall be pro-rated in accordance with their inter se shareholding in the Company.

16.5. Each of the Shareholders (being a Party), hereby, undertakes to ensure:

- (a) that it, its representatives, proxies and agents representing them at general meetings shall at all times exercise their votes in respect of the Shares in such manner so as to comply with, and to fully and effectually implement, the provisions of this Agreement; and
- (b) that if any resolution is proposed contrary to the terms of this Agreement, their representatives, proxies and agents representing them shall vote against such resolution and if for any reason such a resolution is passed, such Shareholder shall if necessary, join together and convene an extraordinary general meeting for implementing the terms of this Agreement.

16.6. Subsidiaries. Notwithstanding anything to the contrary, it is clarified that all the governance rights available to the Investor under this Agreement in relation to the Company shall also be available with respect to each Subsidiary of the Company.

## 17. LIQUIDATION PREFERENCE

17.1. The Parties agree that, in case of a Liquidity Event or a Liquidation Event, the mechanism for distribution shall, subject to applicable Law, be in the manner as provided in this Clause 17.

17.2. In case of a Liquidity Event, the proceeds shall be distributed in the following order of priority:

17.2.1. Firstly, to the Investor, until the Investor receives at least 2 (two) times of the Investment Amount, inclusive of any cash/accrual payments of interest or coupon already paid on INR basis;

17.2.2. Secondly, to the Promoters and other shareholders (if any), until the Promoters and other shareholders receive, on a per Equity Security basis and for the total number of Equity Securities held, an amount equivalent to what the Investor has received under (a) above on a per Equity Security basis;

17.2.3. Thirdly, amongst all Shareholders pro-rata to their shareholding in the Company.

17.3. In case of a Liquidation Event, the Investor shall be entitled to a liquidation preference for an amount which would be equal to the Investment Amount, inclusive of any cash/accrual payments of interest or coupon already paid, on an INR basis.



18. REPRESENTATIONS AND WARRANTIES

The provisions of Clauses 11.1, 11.2 and 11.3 of the Share Subscription Agreement shall be deemed to be incorporated herein by reference and repeated with respect to this Agreement.

19. INDEMNITY

The provisions of Clause 12 of the Share Subscription Agreement shall be deemed to be incorporated herein by reference and repeated with respect to this Agreement. The Indemnifying Parties will not be liable in respect of a claim to the extent that the Loss that is the subject of the claim has already been fully recovered in respect of another claim or under any other Transaction Document.

20. EVENT OF DEFAULT

20.1 (i) Any failure or breach by the Company and/ or Promoters to comply with any of the Identified Terms, or (ii) any fraud by the Promoters with respect to the Company, the Subsidiaries or the Investor shall, if capable of remedy, be remedied by the Company and/ or Promoters within 60 (Sixty) days from the date of receipt of a written notice (the 'written notice') from the Investor requesting the Company and/ or the Promoters to remedy such failure or breach. In the event such failure or breach is not remedied by the Company and/ or the Promoters within such aforesaid stipulated time, after receipt of the 'written notice', such failure or breach shall be considered as an event of default ("**Event of Default**").

20.2 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 Company and the Promoters, informing the Company and the Promoters that an Event of Default has occurred; and (ii) shall be entitled to, subject to applicable Law, exercise the Drag Right in accordance with Clause 8.4, either through the Default Notice or under a separate written notice addressed to the Company and the Promoters, provided however that in the event that the Drag Right is not exercised within a period of 6 (Six) months from the date of establishment of the Event of Default, this right of the Investor shall lapse without prejudice to the rights of the Investor in terms of this Clause 20, upon the occurrence of any subsequent Event of Default.

20.3 Notwithstanding anything to the contrary as may be contained in this Agreement, the Parties agree that upon occurrence of Event of Default in accordance with Clause 4.2.5 of this Agreement, there shall not be any remedy period available to the Promoters as stated in Clause 20.1 hereof and the right of the Promoters under Clause 8.4.4 of this Agreement shall not be available to the Promoters in case of exercise of Drag Right by the Investor in accordance with Clause 8.4 of this Agreement.

21. TERMINATION & FALL AWAY

21.1. Notwithstanding anything contained in this Agreement, this Agreement shall automatically terminate upon the occurrence of any of the following: (i) the consummation of a Liquidity Event, (ii) the completion by the Company of a QIPO, (iii) by mutual agreement of all Parties; and (iv) if the Company is wound up by a resolution of Shareholders or by an order of a competent court or pursuant to a Liquidation Event.



- 21.2. The rights and obligations of the Parties under this Agreement, which either expressly or by their nature survive the termination of this Agreement, shall not be extinguished by termination of this Agreement, including Clause 19 (*Indemnity*), this Clause 21 (*Termination & Fall Away*) Clause 22 (*Governing Law and Arbitration*), and Clause 26 (*Miscellaneous*). The termination of this Agreement in any of the circumstances aforesaid shall not in any way affect or prejudice any right accrued to any Party against the other Parties, prior to such termination.
- 21.3. Fall-off of rights. Notwithstanding the above, in the event the Investor's (calculated at all times, together with Affiliates) shareholding in the Company falls below 8% (eight per cent) on a Fully Diluted Basis, then all the rights available to the Investor (and its Affiliates) under this Agreement, except the information rights under Clause 12 and Tag Along Right under Clause 4.2.3 shall fall off and the Investor shall not have the right to exercise any other rights available to it under this Agreement. For the avoidance of doubt, the obligations of the Investor under this Agreement shall survive even after the Investor's shareholding in the Company falls below 8% (eight per cent) on a Fully Diluted Basis.

## 22. GOVERNING LAW AND ARBITRATION

- 22.1. This Agreement and its performance shall be governed by and construed in all respects in accordance with the Laws of the Republic of India. In the event of a dispute or difference, relating to, arising out of or in connection with any of the matters set out in this Agreement, including any question regarding its existence, validity or termination, ("**Dispute**"), the parties to the Dispute shall discuss in good faith to resolve the Dispute. If a Party gives the other Parties notice that a Dispute has arisen and the Parties are unable to so resolve the Dispute amicably within 30 (thirty) calendar days, it shall be referred to arbitration in accordance with Clause 22.2 below.
- 22.2. All Disputes that have not been satisfactorily resolved under Clause 22.1 shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") for the time being in force, which rules are deemed to be incorporated by reference in this Clause. There shall be a sole arbitrator who shall be jointly appointed by the parties to the dispute and failing agreement on such appointment, the arbitrator shall be appointed by the appointing authority of the Singapore International Arbitration Centre. The seat of the arbitration shall be Singapore and the venue may be as determined by the arbitrator from time to time having regard to the convenience of the parties to the dispute. The language of the arbitration shall be English. Any arbitration proceeding hereunder shall be conducted on a confidential basis.
- 22.3. The arbitrator shall make an award in writing within 60 (sixty) Business Days of the reference of the dispute to arbitration. The award of the arbitrator(s) shall be final and conclusive and binding upon the Parties and non-appealable to the extent permitted by Law. The Parties agree that such enforcement shall be subject to the provisions of Indian Law, and no Party shall seek to resist the enforcement of any award in India or elsewhere on the basis that the award is not subject to such provisions. The award rendered shall apportion the costs of the arbitration.



22.4. The arbitrators shall also have the power to decide on the costs and reasonable expenses (including reasonable fees of its counsel) incurred in the arbitration and award interest up to the date of the payment of the award.

22.5. The provisions of this Clause 22 shall survive the termination of this Agreement.

23. ARTICLES

23.1. The Shareholders shall ensure that Articles shall at all times incorporate the terms of this Agreement to the maximum extent permitted under Law and the Shareholders hereby agree to vote their Equity Shares and take such other actions as may be necessary to cause the Company to adopt the provisions of this Agreement into the Articles at Closing, and to make all amendments thereto, including appropriate amendments to the Articles of Association, as may be required from time to time. Every Shareholder, present and future, shall be deemed to join the Company with full knowledge of the terms and conditions set forth in this Agreement.

24. ASSIGNABILITY

24.1. Subject to the terms and conditions and specific restrictions contained in this Agreement, the Investor, at its sole discretion, may Transfer all or any of the Shares held by it, along with its rights and obligations under this Agreement, without the requirement of any consent/approval of the other Parties; provided, that:

- (a) any such Transfer/assignment shall be subject to and conditioned on any such transferee/assignee executing the Deed of Adherence;
- (b) such Transfer/assignment not result in any duplication of rights and/or obligations of the Investor; and
- (c) no rights and/or obligations shall be transferred or assigned to any Third Party except where such transfer/assignment is accompanied by a Transfer of the Investor Shares or a portion thereof.

24.2. Except as expressly permitted or provided in this Agreement, none of the Parties shall be entitled to assign their rights and obligations under the Agreement to a Third Party without the prior written consent of all the other Parties.

25. OTHER RIGHTS OF THE INVESTOR

25.1. Affiliates. Notwithstanding any other provision of this Agreement, but subject to execution of the Deed of Adherence, the Investor and/or its Affiliate/s may, at any time and from time to time during the subsistence of this Agreement, acquire any new Shares or other Equity Securities offered to them by the Company, the Promoters and/or the other Shareholders under the provisions of this Agreement and/or transfer any existing Shares or other Equity Securities of the Company held by them to one or more of their Affiliates.

26. MISCELLANEOUS





26.1. Confidentiality. Each Shareholder agrees, severally and not jointly, to use the same degree of care as such Shareholder uses to protect its own confidential information for any confidential information obtained about the Company pursuant to this Agreement and such Shareholder acknowledges that it will not, unless otherwise required by applicable law or the rules of any national securities exchange, association or marketplace, disclose such information without the prior written consent of the Company, except such information that (a) was in the public domain prior to the time it was furnished to such Shareholder, (b) is or becomes (through no willful improper action or inaction by such Shareholder) generally available to the public, (c) was in its possession or known by such Shareholder without restriction prior to receipt from the Company, (d) was rightfully disclosed to such Party by a Third Party without restriction, (e) was independently developed without any use of the Company's confidential information.

Notwithstanding the foregoing, the Investor may disclose such confidential information to its investment committee, Affiliates (other than Competitors), any former partners or members who retained an economic interest in such Investor, current or prospective partner of the partnership or any subsequent partnership under common investment management, limited partner, general partner, member or management company of such Investor (or any employee, advisor or other representative of such Investor or any of the foregoing).

The provisions of this Clause shall survive the termination of this Agreement for a period of 12 (twelve) months.

26.2. Notices.

26.2.1. Unless otherwise provided herein, all notices or other communications to be given shall be made in writing, in the English language, and shall be deemed to be duly given or made: (a) in the case of personal delivery, when delivered; (b) in the case of e-mail transmission, provided that the sender has received a receipt indicating proper transmission, when dispatched; or (c) in the case of a letter, (i) 7 (seven) Business Days after being deposited in the post (by registered post, with acknowledgment due), postage prepaid or (ii) 3 (three) Business Days after being deposited with an internationally recognized overnight courier, freight prepaid, specifying two-day delivery, with written verification of receipt; in each case, to such Party at its address, or e-mail address specified herein or at such other address, or e-mail address as such Party may hereafter specify for such purposes to the other by notice in writing.

26.2.2. The addresses referred to above are:

(a) In the case of a notice to the Company and the Subsidiaries:  
*Address* : 101, HDIL Towers, Anant Kanekar Marg, Bandra (East),  
Mumbai – 400051, Maharashtra, India  
*Attention* : Mr. Prerak Goel  
*Email* : [prerak@concordenviro.in](mailto:prerak@concordenviro.in)

(b) In the case of Promoter 1:  
*Address* : 1001 Eben Ezer, Tagore Road, Santacruz West, Mumbai  
– 400054, Maharashtra, India  
*Email* : [prerakgoel@rochemindia.com](mailto:prerakgoel@rochemindia.com)



(c) In the case of Promoter 2:

*Address* : 1101 Eben Ezer, Tagore Road, Santacruz West, Mumbai  
– 400054, Maharashtra, India

*Email* : [prayasgoel@rochemindia.com](mailto:prayasgoel@rochemindia.com)

(d) In the case of the Investor:

*Address* : Trident Trust Company (Mauritius) Limited, 5<sup>th</sup> floor,  
Barkly Wharf, Le Caudan Waterfront, Port Louis,  
Mauritius

*Attention* : Ashraf Ali Deenmahomed

*Email* : [adeenmahomed@tridenttrust.com](mailto:adeenmahomed@tridenttrust.com)

With copies to:

*Attention* : Stuart Barkoff

*E-mail* : [sbarkoff@globalenvironmentfund.com](mailto:sbarkoff@globalenvironmentfund.com)

26.2.3. A notice or other communication received on a day other than a Business Day, or after business hours in the place of receipt, shall be deemed to be given on the next following Business Day in such place.

26.2.4. The address or email address for serving notices can be changed by any Party by properly serving notices on the other Parties informing them of the changes of address.

26.2.5. 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 the same was sent in the manner specified in this Agreement.

### 26.3. Calculation of Fair Market Value

26.3.1 The Fair Market Value of the Equity Securities for the purposes of this Agreement shall be determined by a Valuer appointed based on mutual agreement of the Investor and the Promoters at the relevant time, it being understood that the Investor and Promoters shall use their best endeavours to ensure such determination within 30 (Thirty) days of appointment of the Valuer.

26.3.2 If the Investor and the Promoters are unable to agree on a Valuer, then within 30 (Thirty) days of such disagreement, the Investor and the Promoters shall each appoint a Valuer.

26.3.3 The Shareholders shall ensure that each Valuer has such information relating to the Company as it reasonably requires for determination of the Fair Market Value.

26.3.4 For arriving at the Fair Market Value, each Valuer shall take into account all factors it considers to be relevant.

26.3.5 If the difference in Fair Market Value determined by each of the Valuers is 15% (fifteen percent) or less, the average of the Fair Market Value determined by each of the Valuers shall be taken as the Fair Market Value.



- 26.3.6 If the difference in Fair Market Value determined by each of the Valuers is more than 15% (fifteen percent), the two Valuers shall jointly appoint a third Valuer ("**Third Valuer**"), who shall review the findings of the two Valuers and independently determine the Fair Market Value it deems more accurate from amongst the two, taking into account the factors it considers to be relevant. Upon the Third Valuer's determination of the Fair Market Value, the Third Valuer shall set out the correct Fair Market Value in a certificate signed by him and issued to the Promoters and the Investor.
- 26.3.7 The Valuers and the Third Valuer (as the case may be) shall determine the Fair Market Value within 30 (thirty) days of their respective appointment and shall notify the Promoters and the Investor of their determination. Each party shall bear the fees of the respective Valuers appointed by them. The fees of the Third Valuer appointed under Clause 26.3 shall be paid by the Company.
- 26.3.8 Each of the Valuers and the Third Valuer shall act as an expert and not as an arbitrator.
- 26.4. Severability. Any provision in this Agreement, which is or may become prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in the same or any other jurisdiction. Without prejudice to the foregoing, the Parties will immediately negotiate in good faith to replace such provision with a proviso, which is not prohibited or unenforceable and has, as far as possible, the same legal and commercial effect as that which it replaces.
- 26.5. Entire Agreement. This Agreement represents the entire understanding and agreement amongst the Parties in relation to the terms of the matters contained in this Agreement and shall supersede and extinguish any previous drafts, agreements or understandings between all or any of the Parties (whether oral or in written) relating to the subject matter herein.
- 26.6. Relationship Between Parties. Except as stated in this Agreement, nothing in this Agreement or in any document referred to in it shall constitute any of the Parties a partner of the other, nor shall the execution, completion and implementation of this Agreement confer on any Party any power to bind or impose any obligation on any other party or to pledge the credit of any other Party.
- 26.7. Change In Law, etc. In case of any change in applicable Law in India that has an effect on the terms of this Agreement, the Parties agree that the Agreement would be reviewed, and if deemed necessary by the Parties, renegotiated in good faith so as to reflect the commercial understanding of the Parties prevailing at the date of such change.
- 26.8. Captions. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.
- 26.9. Amendments and Waivers. Any provision of this Agreement may be amended and the observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) only with the written consent of (i) the Company, (ii) the Promoters; and (iii) the Investor. It is further clarified, however, that any Party may waive its own rights in writing, signed by it, without requiring the consent of any other Party to such waiver. No waiver by any Party of any term or condition of this Agreement, in any one or more



instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

- 26.10. Use of Logo. Upon Closing the Parties shall be entitled to use the other Party's name and logo on their respective websites and/or for internal communication and each Party hereby grants permission to the other Party and its Affiliates in this regard. Any other usage of the Parties' name and logo and/or accompanying description for external communication shall in each instance require the prior written consent of the concerned Party.
- 26.11. Publicity. The form, content and timing of any disclosure of the Investor's investment into the Company whether by a Shareholder (other than the Investor) or the Company shall be in a form and substance approved by the Investor.
- 26.12. Counterparts. This Agreement has been signed in multiple counterparts, each of which shall be deemed to be an original. Counterparts may be delivered via facsimile, electronic mail (including .pdf) or other transmission method and any counterpart so delivered shall, subject to applicable Law, be deemed to have been duly and validly delivered and be valid and effective for all purposes.
- 26.13. Specific Performance. The Parties agree that, to the extent permitted by Law, the rights and obligations of the Parties under this Agreement shall be subject to the right of specific performance and may be specifically enforced against a defaulting Party. Termination shall be without prejudice to all its rights and remedies under applicable Law or equity available to the non-defaulting Party including but not limited to the right to seek indemnities for the breach from the defaulting Party.

*[Remainder of page intentionally left blank]*



IN WITNESS WHEREOF, each of the Parties has signed and executed this Agreement, and all the original copies hereto, on the Execution Date.

FOR THE COMPANY



NAME : MR. PRERAK GOEL

DESIGNATION : DIRECTOR

PLACE : MUMBAI

DATE : AUGUST 7, 2015

FOR PROMOTER 1

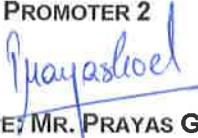


NAME: MR. PRERAK GOEL

PLACE : MUMBAI

DATE : AUGUST 7, 2015

FOR PROMOTER 2



NAME: MR. PRAYAS GOEL

PLACE : MUMBAI

DATE : AUGUST 7, 2015

FOR THE INVESTOR



NAME: MR. ASHRAF ALI DEENMAHOMED

DESIGNATION: Director

PLACE : PORT LOUIS, MAURITIUS

DATE : 7 August 2015



SCHEDULE 1

**DEED OF ADHERENCE**

This Deed of Adherence is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

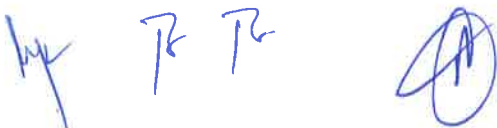
**By**

\_\_\_\_\_, hereinafter called the "**Covenantor**" which expression shall, unless repugnant to the meaning or context thereof be deemed to include its Affiliates, heirs, executors, successors and permitted assigns) (A) to whom the Equity Securities of [Name of Company] (hereinafter referred to as the "**Company**") have been transferred by \_\_\_\_\_ (the "**Transferor**"); **OR** (B) who has acquired / subscribed to Equity Securities of [Name of Company] (hereinafter referred to as the "**Company**") in its capacity as Affiliate of \_\_\_\_\_ (the "**Transferor**")  
[Note: Use (A) or (B) as applicable]

in favour of the Company and \_\_\_\_\_, (the "**Continuing Shareholders**").

In consideration of [the Transferor having transferred Equity Securities of the Company to the Covenantor]/ [the Covenantor having acquired / subscribed to Equity Securities of the Company in its capacity as Affiliate of the Transferor in accordance with the Shareholders Agreement dated [●] ("**Agreement**")] and in consideration of the Company and the Continuing Shareholders having agreed to such [Transfer/acquisition], the Covenantor hereby agrees and undertakes as follows:

1. The Covenantor hereby confirms that a copy of the Agreement and the Articles of Association of the Company have been made available to it and hereby covenants with the Continuing Shareholders and the Company to observe, perform and be bound by all the terms which are capable of applying to the Covenantor and the Covenantor shall be deemed to be a Shareholder with effect from the date on which the Covenantor is registered as a member of the Company as a shareholder.
2. The Covenantor hereby covenants that it shall do nothing that derogates from the provisions of the Agreement and the Articles of Association.
3. The Covenantor undertakes to and covenants with all of the Parties to the Agreement (including any Person who has entered into a Deed of Adherence pursuant to the Agreement) to comply with the provisions of and to perform all the obligations in the Agreement so far as they may remain to be observed and performed as if the Covenantor had been a Party to the Agreement in place of the Transferor.
4. The Covenantor shall have the rights under and the benefit of the provisions of the Agreement as if the Covenantor had been a Party thereto in place of the Transferor to the extent of the Equity Securities and the Agreement shall be construed and apply accordingly.
5. The Covenantor represents and warrants to the Continuing Shareholders that :
  - (a) It is a person competent to execute and deliver, and to perform its obligations under, this Deed.
  - (b) The execution and delivery by it of this Deed and the performance of its obligations hereunder do not and will not violate any provision of any regulations or any agreement to which it is a party or by which it or any of its properties are bound.
  - (c) No authorisation or approval of any governmental agency is required to enable it to lawfully perform its obligations hereunder.



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




Executed as a DEED the day and year first before written.

For the Covenantor

By:

Title:

For the Transferor



SCHEDULE 2

PART A  
**SHAREHOLDING PATTERN PRIOR TO CLOSING**

Sr. No.	Name of the Member	Number of Equity Shares (Face value of INR 100 each)	Percentage (%)
1	Mrs. Namrata Goel	1,575	3.7010%
2	Mrs. Nidhi Goel	1,575	3.7010%
3	Mrs. Pushpa Goel	12,600	29.6080%
4	Mr. Prayas Goel	7,875	18.5050%
5	Mr. Prerak Goel	7,875	18.5050%
6	India Waste Water Treatment Company	11,056	25.9799%
<b>TOTAL</b>		<b>42,556</b>	<b>100.0000%</b>

PART B  
**SHAREHOLDING PATTERN ON THE CLOSING DATE**

S. No.	Shareholder's name	No of Equity Shares	No. of CCPS	Percentage
1.	Namrata Prayas Goel	1,575	-	3.4004%
2.	Nidhi Prerak Goel	1,575	-	3.4004%
3.	Pushpa Kamlesh Kumar Goel	12,600	-	27.2032%
4.	Prayas Goel	7,530	-	16.2572%
5.	Prerak Goel	7,525	-	16.2464%
6.	AFHoldings	11,751	3,762	33.4924%
	<b>Total</b>	<b>46,318</b>	<b>3,762</b>	<b>100.0000%</b>

Note: The Conversion Ratio of CCPS is assumed as 1:1.

*mp*     *TR TR*     



SCHEDULE 3

**BROAD BASED ANTI-DILUTION PROTECTION**

**A. Relevant Calculations:**

- I. Determine Anti-dilution Price (i.e., Broad Based Weighted Average Share Price) in the following manner:

$$\frac{(\text{OS immediately prior to the Dilution Event} \times \text{Investor Price Per Share}) + \text{AC}}{\text{OS immediately following issuance}}$$

Where

“OS” means the number of Equity Shares issued and outstanding on a Fully Diluted Basis,

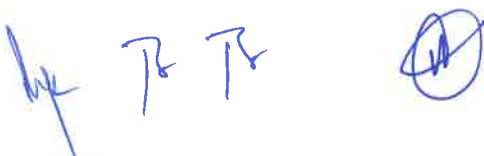
“Investor Price Per Share” means the fraction, the numerator of which is the Investment Amount and the denominator of which is the total number of Investor Shares, and

“AC” means the aggregate consideration to be received by the Company in connection with the new issuance.

- II. Determine number of Equity Shares that Investor would have received if the Investor had paid the Anti-dilution Price for the Equity Shares or Equity Securities convertible into Equity Shares subscribed by it, by dividing the aggregate consideration paid by Investor pursuant to the SSA by the Anti-dilution Price.
- III. The number of additional Equity Shares or instruments/ Equity Securities convertible into Equity Shares to be issued to the Investor (i.e., Additional Securities) shall equal the number of Equity Shares or instruments/ Equity Securities convertible into Equity Shares that Investor would have received as determined pursuant to II above minus the number of Equity Shares or instruments/ Equity Securities convertible into Equity Shares actually held by the Investor.

**B. In performing the foregoing calculations, the following provisions shall be applicable:**

- I. In a Dilution Event, in the case of the new issuance being for cash, the aggregate consideration shall be deemed to be the amount of cash paid therefor before deducting therefrom any discounts, commissions or placement fees payable by the Company to any underwriter or placement agent in connection with the issuance and sale thereof.
- II. In a Dilution Event, in the case of the new issuance being for a consideration, in whole or in part other than cash, the consideration other than cash shall be deemed to be the Fair Market Value thereof.
- III. In the case of the Dilution Event involving the issuance of options to purchase or rights to subscribe to Equity Shares, securities by their terms convertible into or exchangeable for Equity Shares, or options to purchase or rights to subscribe for such convertible or exchangeable securities (other than Equity Shares, options or



other securities issued under any ESOP or Equity Shares, options or other securities issued upon the exercise thereof):

- i. the aggregate maximum number of Equity Shares deliverable upon exercise of such options to purchase, exercise of rights to subscribe for Equity Shares or conversion of or in exchange for any such convertible exchangeable securities, shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided above), if any, received by the Company upon the issuance of such options or rights plus the exercise price provided in such options or rights for the Equity Shares covered thereby;
  - ii. on any increase in the number of shares or decrease in exercise price of Equity Shares deliverable upon exercise of any such options or rights or conversions of or exchanges for such securities, other than a change resulting from the anti-dilution provisions thereof, the Weighted Average Share Price shall be readjusted retroactively to give effect to such increase or decrease and additional Equity Shares shall be issued to the Investor;
  - iii. on any decrease in the number of shares or increase in exercise price of Equity Shares deliverable upon exercise of any such options or rights or conversions of or exchanges for such securities, the Weighted Average Share Price shall be readjusted retroactively to give effect to such decrease or increase; and
  - iv. no further adjustment shall be made as a result of the actual issuance of Equity Shares on the exercise of any such rights or options or any conversion or exchange of any such securities.
- IV. All references to Equity Shares shall be on a Fully Diluted Basis.
- V. All calculations of the Anti-dilution Price shall be made to the nearest one one-hundredth of a Rupee.
- VI. In the event that of the Additional Securities, determined in the manner provided above, being a fraction, such number shall be round up to the nearest whole share as follows:
- i. in case the fraction is up to 0.49, then the number of shares to be issued shall be rounded off to the next lower number; and
  - ii. in case the fraction is 0.5 or more, then the number of shares to be issued rounded off to the next higher number.

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SCHEDULE 4

**RESERVED MATTERS**

1. Any change to the name and/ or registered office of the Company and/ or the Subsidiaries;
2. Changes in the Articles and Memorandum of the Company and/ or the Subsidiaries;
3. Any substantial diversification, modernization, modification or expansion of the Business either through the Company and its Subsidiaries and/ or any new entity set up for such purpose;
4. Change in the shareholding pattern or capitalization structure of the Company and/ or the Subsidiaries, except to the extent permitted under the Transaction Documents;
5. Issuance of new Equity Securities by the Company and/ or the Subsidiaries;
6. Any change in terms of any Equity Securities by the Company and/ or the Subsidiaries that adversely affects the rights of the Investor;
7. Issuance of any debt securities by the Company and/ or the Subsidiaries;
8. Redemption, buyback (except as contemplated in this Agreement), reduction of capital, or cancellation of any of the Equity Securities of the Company and/ or the Subsidiaries;
9. Formulation, adoption of, or change of, ESOP including with respect to Company and/ or the Subsidiaries. except to the extent specifically contemplated under the Transaction Documents;
10. Creation of any Encumbrance on the securities of the Company and/ or the Subsidiaries or providing lenders with an option to acquire/ subscribe to Securities in the Company and/ or the Subsidiaries;
11. Distribution or payment of dividends other than in compliance with the dividend policy of the Company or any changes in the dividend policy of the Company;
12. Amending or terminating or agreeing to amend or terminate any material contracts or any arrangements, having a value in excess of INR 2,00,00,000 (Rupees Two Crores only);
13. Any Related Party transactions by the Company and/ or the Subsidiaries except for those undertaken in compliance with provisions of Clause 9.1 and for the avoidance of doubt, including but not limited to loans, borrowings and investments in any form whatsoever, but specifically excluding any business transactions inter-se the Company, Reva, RSS, CES-FZE, BWTT and CES Mexico;
14. Any transactions with Affiliates of Promoters and/ or the Key Management Team, excluding payments of salaries under the respective employment agreements;



15. Making of a public offering of the shares of the Company, except as contemplated by this Agreement, including the size and timing of the issue, price of the shares and appointment of the investment bankers, legal advisors and any and all other intermediaries in connection with such a public offering;
16. Any borrowing, indebtedness, issuance, incurrence or guarantee by the Company or its Subsidiaries of any indebtedness or creation of Encumbrance in relation to assets of the Company, other than as contemplated in the Business Plan and in excess of an aggregate of INR 2,00,00,000 (Rupees two crores only), in any Financial Year;
17. Prepayment or repayment of any loans or borrowings not in accordance with the ordinary repayment schedule applicable with respect to such loans or borrowings;
18. Formation of subsidiaries or entering into joint ventures or any investments/ divestments by the Company and/ or any Subsidiary;
19. Formulation and approval of the Business Plan of the Company and/ or the Subsidiaries;
20. Any change to the Business Plan in excess of 5% of the relevant parameter or line item in the Business Plan;
21. Entering into contracts or any other arrangements which result in exclusivity or non-compete restriction or that restrict the ability of the Company to carry on Business in any part of the world;
22. Unless provided for in the Business Plan, capital expenditures in excess of INR 1,00,00,000 (Rupees One Crore only) per Financial Year;
23. Unless provided for in the Business Plan, disposal of Assets of the Company and/ or the Subsidiaries whose aggregate value exceeds 5% (five percent) of Company's / relevant Subsidiary's audited net asset value;
24. Any change in the number of directors/ members of the Boards of the Company and/ or the Subsidiaries other than as specifically contemplated in this Agreement;
25. Removal or appointment of independent Directors of the Company and/ or the Subsidiaries, if any;
26. Any change in the terms of appointment of any member of the Key Management Team or change in remuneration of any member of the Key Management Team by more than 15% (Fifteen percent) of his/ her prevailing CTC;
27. Appointment and dismissal of an employee (including a member of the Key Management Team) of the Company and/ or the Subsidiaries having CTC of more than INR 40,00,000 (Rupees forty lakhs only). "CTC", for the purposes of the preceding sub-clauses, shall mean the cost to company and include salary and any monetary or non-monetary remuneration/consideration (non-monetary remuneration being determined on the basis of the fair market value) received by the employee of the Company or the Subsidiaries;



28. Change in the accounting policies employed by the Company except when so required by applicable Law, including, but not limited to, any change in the Financial Year of the Company;
29. Appointment and removal of the internal auditor and statutory auditor of the Company and/ or the Subsidiaries except for reappointment of the existing internal auditor and/ or statutory auditor;
30. Initiation or determination of any individual litigation or arbitration of a value in excess of INR 50,00,000 (Rupees fifty lakhs only) and cumulative value in excess of INR 1,00,00,000 (Rupees One Crore only);
31. Any filings, actions or resolutions for winding up, liquidation, bankruptcy or insolvency of any of the Company and/ or the Subsidiaries;
32. Any reorganization, consolidation, spin-off, merger, acquisition, Liquidity Event or other similar transaction by the Company and/ or the Subsidiaries;
33. Surrendering any tax benefits that may be available to the Company;
34. Selling, Encumbering, Transferring, licensing, alienating or otherwise disposing of any of the Company's/ Subsidiaries' Intellectual Property, or interests therein or contracting to do so, other than in the ordinary course of business or as contemplated by the Business Plan;
35. Any change (including for the avoidance of doubt, any alteration, modification, deletion and/or substitution) to the visual representation and format of the existing Intellectual Property owned and/ or licensed by the Company, other than in the ordinary course of business or as contemplated by the Business Plan;
36. Creation of any Encumbrance on any of the property or assets of the Company and/ or the Subsidiaries (except in the ordinary course of business or as contemplated by the Business Plan and, in any event, not exceeding in the aggregate, INR 2,00,00,000 (Rupees two crores only) during a Financial Year);
37. Entering into any binding agreement to take any of the foregoing actions.

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## SCHEDULE 5

### **ACTION PLAN**

The following provides the covering directives under which Concord shall implement the action items as suggested within the Action Plan:

- The Action Plan should become part of covenants within the financial arrangements of South Asia Clean Energy Fund and Concord;
- Concord will need to regularly monitor and report the progress of Action Plan implementation;
- The implementation status of the Action Plan would be required to be monitored by an independent/third-party environmental and social expert/ organization at least once every year;
- The outcomes /recommendations of the table below not mentioned in the Action Plan are required to be charted in addition to the Action Plan action items in order to establish overall compliance to IFC performance standards requirements.

The Action Plan has been organized to reflect corporate-level recommendations as well as recommendations that are to be implemented for ongoing projects, across construction and operational sites. The Action Plan includes the following:

- Reference to the findings and description in the report;
- Responsibility and Resources; and
- Deliverables and Timelines.

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S. No	Measures and/or Corrective Actions	Responsibility and Resources	Timelines
<b>1</b>	<b>Corporate Level Recommendations</b>		
1.1	<p>Concord Enviro Systems Pvt Ltd should develop a corporate level EHS and Social policy that will be applicable across its subsidiaries. This should be rolled out through a guidance manual with components of management system elements to be developed for the subsidiaries and any proposed expansions. This guidance manual to be followed during developing site specific EHS management system depending on the activities carried out at site. The manual shall include guidelines w.r.t identification of all risks and hazards and their mitigation measures for onsite as well as out station operations, systems for regulatory compliance, management plans, monitoring, role and responsibility, vendor and contractor screening etc. A Retrenchment policy should be formulated as part of corporate HR manual which should be followed in case any retrenchment or mass lay-off is triggered in any of the subsidiaries.</p>	<ul style="list-style-type: none"> <li>• Management Team</li> <li>• HR Department</li> </ul>	<p>4 months</p> <p>6 months</p>
1.2	Designate a senior management representative at Concord level as the EHS officer to oversee compliance to IFC Performance Standards across the subsidiaries	<ul style="list-style-type: none"> <li>• Management Team</li> </ul>	2 months
<b>2</b>	<b>Vasai Facility</b>		
2.1	<ul style="list-style-type: none"> <li>• RSS will need to put a formal EHS management system in place integrating IFC requirements with ISO 14000 and OHSAS 18000. This system should comply with the Concord guidance manual and cover onsite as well as out station activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Management Team</li> <li>• HR Department</li> </ul>	3 months after roll out of Concord Guidance manual
2.2	<ul style="list-style-type: none"> <li>• Facility should include compliance to company's EHS policies and applicable national laws, rules and regulations pertaining to health &amp; safety and labour in the purchase order terms and conditions or in vendor agreements.</li> <li>• Update existing organization structure to clearly indicate roles and responsibilities of EHS manager and considering the size of operations at Vasai facility, hiring of dedicated EHS personnel should be considered.</li> </ul>	<ul style="list-style-type: none"> <li>• Management Team</li> <li>• HR Department</li> </ul>	3 months
2.3	<p>Legal register/ matrix to be prepared. The document should include minimum:</p> <ul style="list-style-type: none"> <li>○ Type of license;</li> <li>○ Date of issue;</li> <li>○ Validity period;</li> <li>○ Department responsible for maintaining license.</li> </ul>	<ul style="list-style-type: none"> <li>• Administration Department</li> </ul>	2 months
2.4	<ul style="list-style-type: none"> <li>• DMP prepared for Vasai facility to be upgraded for inclusion of emergency evacuation routes, emergency contact nos. and emergency preparedness for electrical hazards.</li> <li>• Emergency plans to be communicated to all employees, workers and also to be disclosed to surrounding communities.</li> </ul>	<ul style="list-style-type: none"> <li>• EHS team</li> </ul>	2 months

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S. No	Measures and/or Corrective Actions	Responsibility and Resources	Timelines
	<ul style="list-style-type: none"> <li>Waste Management plan to be prepared.</li> </ul>		
2.5	<ul style="list-style-type: none"> <li>In case RSS Vasai intends to directly purchase plot 52, prior permission from the District Collector or similar Competent Authority needs to be taken along with documented consent that negotiations have been transparent with the entity.</li> </ul>	<ul style="list-style-type: none"> <li>Legal Department</li> </ul>	As and when applicable
2.6	Fire NOC from VVMC	<ul style="list-style-type: none"> <li>Administration Department/ Legal Department</li> </ul>	Follow up with VVMC on their fire safety audit report and application to be submitted on priority basis
2.7	Vasai facility should provide separate sanitation facilities to female employees to meet the requirements of the Factories Act, 1948. Also, a provision of crèche for children of employees and workers should be present as per the Factories Act, 1948.	<ul style="list-style-type: none"> <li>Administration Department</li> </ul>	2 weeks
2.8	HR policy should be updated to include policy statement on "non discrimination, equal opportunity and fair treatment".	<ul style="list-style-type: none"> <li>HR Department</li> </ul>	3 months
2.9	RSS should upgrade existing grievance redressal mechanism by having a system to address concerns and grievances of local communities also.	<ul style="list-style-type: none"> <li>HR Department</li> </ul>	3 months
2.10	RSS should ensure that HR supervises compliance of applicable labour regulations by the contractor.	<ul style="list-style-type: none"> <li>HR Department</li> </ul>	Ongoing
2.11	<ul style="list-style-type: none"> <li>Storage of materials should be streamlined with clear access paths and no blockage of any entry or exit point;</li> <li>The tank boundary needs to be fenced more efficiently.</li> </ul>	<ul style="list-style-type: none"> <li>Administration department/ Store In charge</li> </ul>	2 weeks
2.12	An inventory of solid and hazardous wastes generated from the project operations should be maintained and updated periodically	<ul style="list-style-type: none"> <li>Maintenance Department</li> </ul>	1 month
2.13	Ensure that all domestic wastewater streams from canteen, toilets are diverted to STP, once installed.	<ul style="list-style-type: none"> <li>EHS team</li> </ul>	Once, during installation of STP
2.14	DG stack emission to be monitored annually to ensure that emissions are within prescribed limits.	<ul style="list-style-type: none"> <li>EHS team</li> </ul>	On annual basis
<b>3</b>	<b>Sharjah Facility</b>		
3.1	Concord FZE will put in place a formal EHS management system integrating IFC requirements with ISO 14000 and OHSAS 18000. This system should comply with the Concord guidance manual.	<ul style="list-style-type: none"> <li>Management Team</li> <li>HR Department</li> </ul>	3 months after roll out of Concord Guidance manual



S. No	Measures and/or Corrective Actions	Responsibility and Resources	Timelines
3.2	<ul style="list-style-type: none"> <li>Sharjah facility to develop an EHS Policy.</li> <li>Update existing organization structure to clearly indicate roles and responsibilities of EHS manager.</li> <li>Facility should include compliance to company's EHS policies and applicable national laws, rules and regulations pertaining to health &amp; safety and labour in the purchase order terms and conditions or in vendor agreements.</li> </ul>	<ul style="list-style-type: none"> <li>Management Team</li> <li>HR Department</li> </ul>	2 months
3.3	Ensure that HR supervises compliance of applicable labour regulations by the contractor.	<ul style="list-style-type: none"> <li>HR Department</li> </ul>	Ongoing
3.4	<ul style="list-style-type: none"> <li>Emergency response plan to be prepared for Sharjah Facility;</li> <li>Emergency plans to be communicated to all employees, workers and also to be disclosed to surrounding communities.</li> </ul>	<ul style="list-style-type: none"> <li>EHS team</li> </ul>	2 months
3.5	<ul style="list-style-type: none"> <li>Civil Defence Certificate to be obtained for Sharjah Facility</li> </ul>	<ul style="list-style-type: none"> <li>Administration Department/ Legal Department</li> </ul>	Application to be submitted on priority basis
3.6	Quality of air emission, wastewater generated and noise levels at Sharjah facility to be monitored against the Federal Laws.	<ul style="list-style-type: none"> <li>EHS department</li> </ul>	Initial analysis within 8 weeks, later monitoring on annual basis.
3.7	Sharjah facility should formulate a formal grievance redressal mechanism to address concerns and grievances of its employees/workers and local communities.	<ul style="list-style-type: none"> <li>HR Team</li> </ul>	3 months
3.8	HR policy should be updated to include policy statement on "non discrimination, equal opportunity and fair treatment".	<ul style="list-style-type: none"> <li>HR Team</li> </ul>	3 months
3.9	Chemical storage area should be labelled properly and MSDSs should be kept in the chemical storage area in the facility.	<ul style="list-style-type: none"> <li>Site Head</li> <li>EHS team</li> </ul>	2 weeks
3.10	A register to be maintained for first aid kits for type of medicines, expiry date, user of first aid kit etc. at both facilities and to be updated regularly.	<ul style="list-style-type: none"> <li>Administration department</li> </ul>	1 month


SCHEDULE 6

FORMAT OF DRAFT BUSINESS PLAN

For the Water Business

Financial Statements

	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
<b>Income statement</b>					
<i>Total Plant sales</i>					
Domestic					
Exports					
New products					
<i>Total After Sales</i>					
O&M					
Spares					
<i>Total Revenue</i>					
Other income					
<b>Total Income</b>					
<i>Expenditure</i>					
Material cost					
Manufacturing and other expenses					
Personnel cost					
<b>EBITDA</b>					
Depreciation and amortisation					
Interest and other finance charges					
<i>Profit before tax</i>					
Taxes					
<b>Profit after tax</b>					
<hr/>					
<b>% EBITDA</b>					
<b>% PAT</b>					
<hr/>					
<b>Sources of Funds</b>					
Equity infusion					
Internal accrual					
Term loan					
Working capital loan					
<b>Total</b>					
<hr/>					
<b>Uses of Funds</b>					
Investment					
Capital expenditure					
<b>Total</b>					
<hr/>					
<b>Balance Sheet</b>					
Share capital					
Reserves and surplus					

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**Shareholders' Equity**

Secured loans

Unsecured loans

Other long term liab. (Security deposits)

Total Liabilities

Deferred tax liabilities/(asset)

**Total Liabilities + Shareholder's Equity**

Gross block

Less: Accumulated depreciation and  
amortization

Net block

CWIP

**Total Fixed Assets**

Investments

Other non current assets

Inventories

Sundry debtors

Cash and bank balances

Loans and advances

Other Current Assets

Current liabilities

Provisions

*Net current assets***Total Assets**

Difference

**Cash flow statements**

Net Income

Deferred tax

Depreciation &amp; amortization

Changes in net working capital

Changes in Other Assets &amp; Liabilities

Changes to reserves

**Net cashflow from operations**

Capital expenditure

Investments

**Net cashflow from investing activities**

Increase in share capital

Increase in loans

**Net cashflow from financing activities**

Opening balance  
Additions  
**Closing balance**

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**For waste-to-energy business**

Mar-16 Mar-17 Mar-18 Mar-19 Mar-20

**Income statement**

*Total Revenue*

Industrial

Municipal

Other income

**Total Income**

*Expenditure*

Material cost

Manufacturing & labour expenses

Administrative and other expenses

Personnel cost

**EBITDA**

Depreciation and amortisation

Interest and other finance charges

*Profit before tax*

Taxes

**Profit after tax**

% EBITDA

% PAT

**Sources of Funds**

Equity infusion

Internal accrual

Term loan

Working capital loan

**Total**

**Uses of Funds**

Investment

Capital expenditure

**Total**

**Balance Sheet**

Share capital

Less: Dividend & Tax on Dividend

Reserves and surplus

**Shareholders' Equity**

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(M)

Deferred tax liabilities  
Secured loans  
Unsecured loans  
Total Liabilities  
**Total Liabilities + Shareholder's Equity**

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Gross block  
Less: Accumulated depreciation and  
amortization

Net block  
CWIP

**Total Fixed Assets**

Investments  
Other Non-Current Assets

Inventories  
Sundry debtors  
Cash and bank balances  
Loans and advances  
Current liabilities  
Provisions  
*Net current assets*

**Total Assets**

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Difference

**Cash flow statements**

---

Net Income  
Adjustment to Reserves  
Preference Dividend Net of Tax  
Deferred tax  
Depreciation & amortization  
Changes in net working capital

**Net cashflow from operations**

Capital expenditure  
Investments

**Net cashflow from investing activities**

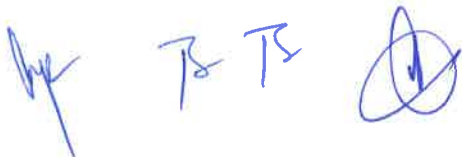
Increase in share capital  
Increase in loans

**Net cashflow from financing activities**

Opening balance  
Additions

**Closing balance**

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## SCHEDULE 7

### **TERMS OF THE OCRPS**

1. Status of OCRPS

Unless specifically agreed to by the OCRPS Holders in writing (as defined below), the OCRPS shall rank senior to the equity shares and other preference shares of CBT at all times and in all events.

2. Voting Rights

The OCRPS shall not carry any voting rights until conversion.

3. Term

In the event that, for any reason whatsoever, the conversion/ redemption of the OCRPS does not occur in the manner set forth herein, each OCRPS shall have a term of twenty (20) years.

4. Dividends

Subject to applicable Law, each holder of OCRPS (an "OCRPS Holder") shall be entitled to receive a dividend at the rate of 0.001% of the face value per annum on each OCRPS held by such holder.

5. Redemption of the OCRPS.

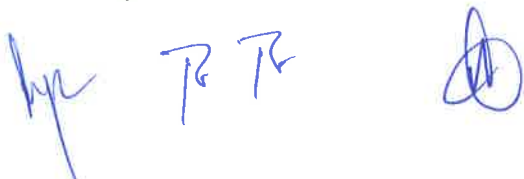
The OCRPS shall be redeemed by CBT upon any of the Promoters and/ or Mr. Christopher Thannhauser failing to invest their pro-rata amount of investment into CBT within 12 (Twelve) months of the Company subscribing to the OCRPS ("**Investment Window**").

6. Conversion of OCRPS.

6.1. Mandatory Conversion. Each OCRPS shall convert into 1 (one) equity share of CBT upon the Promoters and/ or Mr. Christopher Thannhauser infusing a pro-rata amount of investment into CBT within the Investment Window to maintain their respective shareholding in CBT.

6.2. Conversion Option. Each OCRPS Holder shall have the option to require the Company to convert any or all OCRPS held by them into fully paid equity shares of CBT at a pre-money equity valuation of INR 25,00,00,000/- (Rupees Twenty Five Crores only), upon the occurrence of the following circumstances:

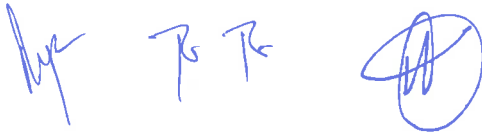
- (a) The Promoters and/ or Mr. Christopher Thannhauser failing to invest their pro-rata amount of investment into CBT within the Investment Window , in order to maintain their respective shareholding in CBT; and
- (b) CBT being unable to redeem the OCRPS in accordance with Clause 5 above due to any reason whatsoever.



Provided however that, if the Promoters and/ or Mr. Christopher Thannhauser do not make their pro-rata investment within the Investment Window and the OCRPS have been converted into equity shares of CBT as provided hereinabove, the Promoters and Mr. Christopher Thannhauser shall have the right to purchase equity shares of CBT from the Company such that the Company receives an IRR of 20% on the amount invested by the Company towards subscription of the OCRPS under the provisions of Clause 10.2 of the SSA at a pre-money equity valuation of INR 25,00,00,000/- (Rupees Twenty Five Crores only) from the date of subscription to the OCRPS till the date of such purchase. The number of equity shares that can be purchased by the Promoters and Mr. Christopher Thannhauser shall be such that the total equity shareholding of the Company on a Fully Diluted Basis in CBT does not go below 51%.

- 6.3. Exercise of Conversion Right and procedure for conversion. An OCRPS Holder may exercise the Conversion Right by (a) delivering a written notice (a "**OCRPS Conversion Notice**") to CBT of its intention to so convert OCRPS held by such OCRPS Holder into equity shares of CBT and (b) surrendering the relevant share certificates representing such OCRPS at the office of CBT together with the OCRPS Conversion Notice. If the equity shares are to be issued in dematerialized form, the OCRPS Holder shall also provide standard information required to allow CBT to issue such shares in dematerialized form. The OCRPS Conversion Notice shall specify the number of OCRPS that such OCRPS Holder elects to convert (such OCRPS referred to as the "**Relevant OCRPS**") and state therein the name or names of any nominee for such OCRPS Holder in which the certificate or certificates for equity shares are to be issued and whether or not such equity shares are to be issued in physical form or dematerialized form.
- 6.4. As soon as reasonably practicable, but in no event later than 7 (seven) Business Days from the date of the OCRPS Conversion Notice, CBT shall take all necessary corporate actions and obtain all necessary Consents and issue the appropriate number of equity shares into which the Relevant OCRPS are convertible. Not later than the 7<sup>th</sup> (seventh) Business Day from the date of the OCRPS Conversion Notice, CBT shall deliver to such OCRPS Holder:
- (c) duly stamped and executed share certificates with respect to the equity shares of CBT issued on conversion of the Relevant OCRPS;
  - (d) certified true copies of all filings necessary to effect and validate the issue of the equity shares, including Form PAS-3;
  - (e) certified true copy of the register of members of CBT showing the OCRPS Holder as the registered owner of the equity shares;
  - (f) duly acknowledged copies of all intimations and filings made by CBT with the RBI in respect of the conversion of the OCRPS and issue of equity shares in lieu thereof; and
  - (g) in the event that the OCRPS Holder has requested in the OCRPS Conversion Notice or otherwise in writing to CBT and has provided all required information to CBT to hold the converted equity shares in a dematerialized form, evidence that such equity shares have been deposited in the account of such OCRPS Holder or to the nominee or nominees of such OCRPS Holder previously identified to CBT in writing accompanied with a beneficiary position statement issued by the concerned depository.

- 6.5. Procedure for Mandatory Conversion. In the case of a mandatory conversion of OCRPS pursuant to Clause 6.1, the Company shall take all necessary corporate and other actions and obtain all Consents on or prior to the date of conversion, and shall provide the documents/ information listed in sub-clause (a), (b), (c), (d) and (e) of Clause 6.4 to the OCRPS Holders on the date of conversion of the OCRPS.
- 6.6. No Fractional Shares. No fractional equity shares shall be issued upon conversion of OCRPS. If the computation of the number of equity shares to be issued, results in a fraction, then the number of equity shares shall be rounded down to the nearest whole number.
- 6.7. Conversion Cost. CBT shall bear all expenses arising from the conversion of the OCRPS as set out in this Clause 6, including *inter alia*, any stamp duty applicable on the issuance of share certificates subsequent to conversion of the OCRPS.

Three handwritten signatures in blue ink are present. The first is a stylized signature, the second consists of the letters 'R' and 'R' written together, and the third is a circular signature.