

Non Judicial



**Indian-Non Judicial Stamp  
Haryana Government**



Date : 13/12/2021

Certificate No. G0M2021L752



Stamp Duty Paid : ₹ 2000  
(Rs. Only)

GRN No. 85108378



Penalty : ₹ 0

(Rs. Zero Only)

**Seller / First Party Detail**

Name: Justfourkids Services Private limited  
H.No/Floor : 6129/1 Sector/Ward : 00 LandMark : D6  
City/Village : Vasant kunj District : New delhi State : Delhi  
Phone: 97\*\*\*\*\*27



**Buyer / Second Party Detail**

Name : Honasa Consumer Private limited And others  
H.No/Floor : 432 Sector/Ward : 00 LandMark : 4th floor somdutt chamber 2  
City/Village: New delhi District : New delhi State : Delhi  
Phone : 97\*\*\*\*\*27

Purpose : Article 5 General Agreement

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

**SHARE PURCHASE AND SHARE SUBSCRIPTION AGREEMENT**

**DATED 22 DECEMBER 2021**

**BY AND AMONGST**

**MR. VISHAL GUPTA**

**AND**

**MR. PRASHANT SINHA**

**AND**

**MR. ASIF MOHAMED**

**AND**

**JUST 4 KIDS SERVICES PRIVATE LIMITED**

**AND**

**HONASA CONSUMER PRIVATE LIMITED**

**AND**

**PERSONS AS SPECIFIED IN ANNEXURE 1**



Sandstone Crest, Opp: Park Plaza Hotel, Sushant Lok Phase 1, Gurgaon – 122 009

T: +91 124 4390 600 I F: +91 124 4390 617

**Ahmedabad | Bangalore | Chennai | Gurgaon | Hyderabad | Mumbai | New Delhi**

**THIS SHARE PURCHASE AND SHARE SUBSCRIPTION AGREEMENT** (this “**Agreement**”) is executed on 22<sup>nd</sup> day of December 2021 (“**Agreement Date**”) at Gurgaon:

**BY AND AMONGST:**

1. **MR. VISHAL GUPTA**, an Indian resident, having PAN AIDPG0028R and residing at A-83, Trinity Towers, DLF Phase 5, Gurgaon 122003 (hereinafter referred to as “**Vishal**”, which expression shall, unless the context otherwise requires, mean and include his successors, heirs, executors, administrators and permitted assigns) of the **FIRST PART**;

**AND**

2. **MR. PRASHANT SINHA**, an Indian resident, having PAN ARUPS8022R and residing at 6129/1, D-6, Vasant Kunj, New Delhi – 110070 (hereinafter referred to as “**Prashant**”, which expression shall, unless the context otherwise requires, mean and include his successors, heirs, executors, administrators and permitted assigns) of the **SECOND PART**;

**AND**

3. **MR. ASIF MOHAMED**, an Indian resident, having PAN ADCPA3229L and residing at B-305, Ireo Grand Arch, Sector 58, Gurgaon 122001 (hereinafter referred to as “**Asif**”, which expression shall, unless the context otherwise requires, mean and include his successors, heirs, executors, administrators and permitted assigns) of the **THIRD PART**;

**AND**

4. **JUST4KIDS SERVICES PRIVATE LIMITED**, a company incorporated under the laws of India with corporate identification number U80302DL2010PTC203604 and whose registered office is at 6129/1, D-6, Vasant Kunj, Delhi - 110070 (hereinafter referred to as “**Company**”, which expression shall, unless the context otherwise requires, mean and include its successors and permitted assigns) of the **FOURTH PART**;

**AND**

5. **HONASA CONSUMER PRIVATE LIMITED**, a company incorporated under the laws of India and whose registered office is at 432, 4<sup>th</sup> Floor, Somdutt Chamber 2, Bhikaji Cama Place New Delhi - 110066 (hereinafter referred to as “**Honasa**”, which expression shall, unless the context otherwise requires, mean and include its successors and permitted assigns) of the **FIFTH PART**;

**AND**

6. **PERSONS LISTED IN ANNEXURE 1** (hereinafter individually referred to as “**Seller**” and collectively referred to as the “**Sellers**”, which expression shall unless repugnant to the

context or meaning thereof, be deemed to mean and include their respective successors and permitted assigns) of the **SIXTH PART**.

**Vishal, Prashant and Asif** shall hereinafter individually be referred to as “**Promoter**” and collectively be referred to as the “**Promoters**”.

Company, Promoters, Honasa and Sellers shall hereinafter collectively be referred to as “**Parties**” and individually (including each person/entity forming the Promoters) referred to as a “**Party**”.

## **BACKGROUND:**

- (A) The Company is a private company under the Companies Act and is engaged in the Business (*as defined hereinafter*). The shareholding pattern of the Company as on the Agreement Date has been set out in **Schedule 1**.
- (B) Honasa has agreed, subject to the terms of this Agreement and the Transaction Documents to acquire the Sale Shares (*as defined hereinafter*) from the Sellers for Sale Consideration, subscribe to Subscription Shares (*as defined hereinafter*) to be issued by the Company for Subscription Consideration (*as defined hereinafter*) and acquire the Remaining Shares (*as defined hereinafter*) for the Remaining Consideration (*as defined hereinafter*) pursuant to and relying on the covenants and Warranties (*as defined hereinafter*) of the Warrantors (*as defined hereinafter*).
- (C) Subject to the terms of this Agreement, upon purchase of the Sale Shares by Honasa and subscription to Initial Subscription Shares by Honasa at First Closing Date (*as defined hereinafter*), Honasa will hold 74.08% (seventy four point zero eight percent) shareholding of the Company on a Fully Diluted Basis (*as defined hereinafter*) on First Closing; upon subscription of the Final Subscription Shares by Honasa at Second Closing, Honasa will hold 76.67% (seventy six point six seven percent) shareholding of the Company on a Fully Diluted Basis on Second Closing; and upon purchase of the Remaining Shares by Honasa on the last of the Third Closings, Honasa will hold 100% (one hundred percent) shareholding of the Company on a Fully Diluted Basis on such Third Closing.
- (D) Simultaneously with the execution of this Agreement, the Parties (other than the Sellers, excluding the Promoters as a Seller) have also executed a Shareholders’ Agreement (*as defined hereinafter*) setting forth various provisions relating to the governance of the Company and the rights of the Shareholders. The Shareholders’ Agreement (subject to the provisions of Clause 2 therein) shall become effective from the First Closing Date (*as defined hereinafter*).

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

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

Unless otherwise defined, capitalized terms used in this Agreement shall have the meaning given to them in the Shareholders’ Agreement. In this Agreement, in addition to the terms defined in the introduction to, recitals of and the text of this Agreement, whenever used in

this Agreement, unless repugnant to the meaning or context thereof, the following capitalized words and terms shall have the meanings set forth below:

**Accounts** means in relation to any Financial Year, the audited financial statements of the Company comprising in each case, an audited balance sheet and the related audited statement of income for such Financial Year, together with the auditor's report thereon and notes thereto;

**Accounts Date** means September 9, 2021, provided however, for the purposes of the Warranties to be repeated with respect to Second Closing Date and on each Third Closing Date, the Accounts Date shall be the last date of the financial quarter immediately preceding the Second Closing Date and each Third Closing Date;

**Action** means any claim, demand, litigation, petition, action, suit, investigation, inquiry, process, proceeding, mediation, arbitration, conciliation, enforcement proceeding, hearing, complaint, assessment, fine, penalty, judgment, order, injunction, decree or award (administrative or judicial);

**Affiliate** of a Person (the "**Subject Person**") shall mean,

- (i) in the case of any Subject Person other than a natural person, any other Person that, either directly or indirectly through one or more intermediate Persons and whether alone or in combination with one or more other Persons, Controls, is Controlled by or is under common Control with the Subject Person, and
- (i) in the case of any Subject Person that is a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons and whether alone or in combination with one or more other Persons, is Controlled by the Subject Person; or any other Person who is the father, mother, son, daughter or spouse of each Subject Person;

**Agreement Date** means the date of this Agreement as stated at the beginning of this Agreement;

**Articles of Association** means the articles of association of the Company and as subsequently amended from time to time in accordance with the Shareholders' Agreement;

**Applicable Law** shall mean and include all applicable statutes, enactments, acts of legislature or the parliament, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives, in each case having the force of law, and applicable orders of any Governmental Authority or a recognised stock exchange of India

**Approvals** shall mean any permission, approval, consent, license, order, decree, authorization, authentication of, or registration, qualification, designation, declaration or filing with or notification, exemption or ruling to or from any Governmental Authority required under any statute or regulation for the completion of the transactions contemplated under this Agreement;

**Assets** means all assets, properties, rights and interests of every kind, nature, specie or description whatsoever, whether movable or immovable, tangible or intangible, owned, leased and/ or used by the Company and Asset shall mean any of them;

**Big Four Firm** means (a) KPMG; (b) EY; (c) PWC; or (d) Deloitte, and/or their respective Affiliates who are eligible to practice in India as per applicable law;

**Board** means the board of directors of the Company;

**Business** shall mean the business of providing a content platform primarily aimed at women and a marketing platform for brands to work with the women community and also providing marketing solutions and advisory services to selective brands and shall include any business that is undertaken by the Company from time to time;

**Business Day** means a day (other than a Saturday or Sunday) on which banks are generally open in New Delhi, India for normal business transactions;

**Business Plan** shall have the meaning given in the Shareholders' Agreement;

**Charter Documents** means the memorandum of association and the Articles of Association of the Company, as may be amended from time to time in accordance with the Shareholders' Agreement;

**Companies Act** means the Companies Act, 2013 and the rules framed thereunder as may be amended from time to time, and the relevant provisions of the Companies Act, 1956 to the extent that the analogous provisions of the Companies Act, 2013 are not notified and in force, in each case as amended from time to time;

**Company Account** means the following bank account of the Company:

Bank	: HDFC BANK LTD.
Branch	: SECTOR-53, GURGAON
Account No.	: 50200030176411
IFSC Code	: HDFC0000572
Swift Code	: HDFCINBB

**Confidential Information** has the meaning given to it in Clause 12.1;

**Contract** means any written, oral or other agreement, arrangement, contract, subcontract, understanding, instrument, note, warranty, insurance policy, benefit plan or commitment of any nature whatsoever (whether or not the same is absolute, revocable, contingent, conditional, binding or otherwise);

**Control** means the power to direct the management and policies of such Person directly or indirectly, whether through the ownership of more than 50% (fifty percent) of the voting power of such Person, or, through the power to appoint more than half of the members of the board of directors or similar governing body of such Person, through contractual arrangements, or otherwise; and the terms **Controlling** and **Controlled** shall be construed accordingly;

**Deed of Accession** has the meaning given to it in the Shareholders' Agreement;

**Director** means a director of the Company for the time being;

**Disclosure Letter** means the letter in an agreed form dated the Agreement Date and provided by the Promoters to Honasa, provided that references to the Disclosure Letter shall

also include any additional disclosures by the Promoters, if any, prior to the First Closing Date;

**Dispute** has the meaning given to it in Clause 10.1;

**Encumbrance** means any mortgage, charge (fixed or floating), pledge, lien, option, claim, power of sale in favour of a Third Party, right to acquire, right of pre-emption, assignment by way of security or trust arrangement for the purpose of providing security, any security interest or other third party right, interest or claim of any kind (including any retention arrangement), or any agreement, arrangement or obligation to create any of the foregoing;

**ESOP Holders** means the employee stock holders of the Company holding 1,292 Equity Shares of the Company pursuant to employee stock option policy dated June 1, 2012;

**ESOP Seller** means the Sellers as specified under the heading ESOP Seller under Annexure 1;

**Equity Shares** means fully paid up equity shares of face value of INR 10 (Indian Rupees Ten only) each in the Share Capital of the Company;

**Existing SHA** means the shareholders agreement dated October 30, 2015 entered between the Promoters, the Company and the Sellers;

**Final Subscription Consideration** means the aggregate amount of INR 25,00,00,000/- (Indian Rupees Twenty Five Crore Only) proposed to be invested by Honasa into the Company for subscribing the Final Subscription Shares for the Final Subscription Consideration on the Second Closing Date;

**Final Subscription Shares** means 9,641 (nine thousand six hundred forty one) fully paid up compulsorily convertible preference shares, issued and allotted to Honasa in terms of this Agreement having the terms and conditions as set out in Schedule 10 of the Shareholders' Agreement;

**Financial Year** means the financial year commencing on April 1 of a calendar year and ending on March 31 in the immediately succeeding calendar year, a period in respect of which the Company prepares its audited accounts;

**First Closing Date** has the meaning given to it in Clause 6.1;

**Fully Diluted Basis** means the equity shareholding ownership in the Company at the relevant point in time as calculated after taking into account all the issued and outstanding Equity Shares and as at the date of determination, the outstanding commitments to issue Equity Shares thereunder, preference shares, and all outstanding options, warrants, convertible debentures, employee stock options, if any, from time to time and all other Securities of the Company as if all such options, warrants, convertible debentures and all other outstanding Securities then in existence were converted to Equity Shares at that point in time and such calculation shall take into consideration all share splits, bonus issuances, etc. if any;

**Form FC-GPR** shall mean the Form FC-GPR or the Single Master Form, if applicable, together with all the necessary documents for the purposes of completing the filing thereof, as required under the applicable laws;

**First Closing** shall mean the consummation of all actions set out in Clause 6.3 under the heading 'First Closing';

**Governmental Authority** shall mean any governmental or statutory authority, any stock exchange or similar entity, government department, agency, commission, board, tribunal or court or other entity authorized to make laws, rules or regulations or pass directions having or purporting to have jurisdiction or any state or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction pursuant to the Applicable Laws, including but not limited to any authority which has, or would have, any jurisdiction in relation to the Company, its Business or activities or its Subsidiaries (as existing from time to time) or Honasa;

**Honasa Warranties** means the statements given by Honasa (with respect to itself) in accordance with Clause 8.4;

**Indemnified Parties** shall have the meaning given to it in Clause 9.1;

**Indemnification Event** shall have the meaning assigned to it in Clause 9.3;

**Initial Subscription Consideration** means the aggregate amount of INR 25,00,00,000/- (Indian Rupees Twenty Five Crore Only) proposed to be invested by Honasa into the Company for subscribing the Initial Subscription Shares for the Initial Subscription Consideration on the First Closing Date;

**Initial Subscription Shares** means 9,641 (nine thousand six hundred and forty one) fully paid up Series A1 compulsorily convertible cumulative preference shares, issued and allotted to Honasa in terms of this Agreement having the terms and conditions as set out in Schedule 9 of the Shareholders' Agreement;

**Intellectual Property Rights** means copyright, patents, know-how, confidential information, database rights, and rights in trademarks, domain names and designs (whether registered or unregistered), (ii) applications for registration, and the right to apply for registration, for any of the same, and (iii) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world;

**Licence** means any authorisation, licence (including but not limited to statutory licence), registration, permit, approval, consent, no-objection or permission as may be required under applicable laws;

**Long Stop Date** shall mean December 31, 2021 unless mutually extended by the Parties;

**Losses** shall mean all direct losses, liabilities, obligations, costs, charges, expenses, fines, diminution in value of the Company, damages (whether or not resulting from Third Party claims), including those paid or suffered pursuant to any actions, proceedings, demands, claims, judgments, awards, and including interests and penalties with respect thereto and out-of-pocket expenses reasonably incurred, including reasonable attorneys' and accountants' fees and disbursements, provided that, Losses shall exclude all indirect, special, punitive or consequential losses.

**Material Adverse Effect** shall mean any event, effect, change, or occurrence that takes place between the Agreement Date and the First Closing Date, and which (a) (taken alone or together with any other adverse event, effect, change, or occurrence) is or is reasonably



likely to be materially adverse to the Business, operations, results of operations, financial condition, properties (including intangible property), assets (including intangible assets) or liabilities of the Company considered as a whole; or (b) is reasonably likely to prevent or materially impede, the consummation by the Promoters and the Company contemplated by this Agreement to occur on the First Closing Date or the performance of their obligations;

**Non-Resident Seller** mean the non-resident Seller as specified in Annexure 1;

**Person** means any natural person, limited or unlimited liability company, body corporate, corporation, partnership (whether limited or unlimited), proprietorship, trust, union, association, whether incorporated or not, government, any relevant authority or any agency or political subdivision thereof (as may be contextually applicable) or any other entity that may be treated as a person under applicable law;

**Registrar of Companies** means the jurisdictional registrar of companies at Delhi, India;

**Related Party** has the meaning as ascribed to such term under the Companies Act;

**Remaining Shares** means 22,491 (twenty two thousand four hundred and ninety one) unencumbered Equity Shares of the Company held by the Promoters and any Equity Shares held by the ESOP Holders to be purchased by Honasa for the Remaining Consideration in the manner as set out in Clause 3.5 read with Annexure 3 in accordance with the terms and conditions as set out in this Agreement;

**Resident Seller** shall mean the resident Seller as specified in Annexure 1;

**Revenue** shall mean the net revenue (as defined by iGAAP standards) of the Company;

**Second Closing** shall mean the consummation of all transactions as provided under the heading 'Second Closing' set out in Clauses 6.7, 6.8 and 6.9;

**Second Closing Date** has the meaning given to in Clause 6.7;

**Securities** means any subscriptions, options, debentures, preference shares, instruments, bonds, conversion rights, warrants, or similar agreements, letter agreements conferring the right to subscribe to the Equity Shares, securities or commitments/arrangements of any kind obligating the Company to issue, grant, deliver or sell, or cause to be issued, granted, delivered or sold (i) any Shares in the equity Share Capital or any derivative securities of the Company; (ii) any securities convertible into or exchangeable for any Equity Shares or (iii) any instrument that creates any rights whatsoever to participate in the equity, economic interest or income of the Company;

**Sale Shares** means 54,634 (fifty four thousand six hundred and thirty four) unencumbered Equity Shares of the Company held by the Sellers to be purchased by Honasa for the Sale Consideration on the First Closing Date in the manner as set out in Annexure 2 in accordance with the terms and conditions as set out in this Agreement;

**Sale Consideration** means the aggregate amount of INR 94,92,32,545 (Indian Rupees Ninety Four Crore Ninety Two Lakhs Thirty Two Thousand Five Hundred and Forty Five only) to be paid by Honasa to the Sellers on the First Closing Date for the purchase of their respective Sale Shares as set out against such Seller's name in Annexure 2;

**Subscription Consideration** means the aggregate amount of INR 50,00,00,000/- (Indian Rupees Fifty Crore Only) proposed to be invested by Honasa into the Company for subscribing the Initial Subscription Shares for the Initial Subscription Consideration on the First Closing Date and the Final Subscription Shares for Final Subscription Consideration on the Second Closing Date;

**Subscription Shares** means Initial Subscription Share and/or the Final Subscription Shares, as the case may be;

**Share Capital** means the fully issued and paid-up share capital of the Company;

**Shareholder** means from time to time a Person in whose name Equity Shares and/or preference shares are registered in the Company's register of members and/ or register of preference shares, and **Shareholders** means all of them;

**Shareholders' Agreement** means the agreement of even date entered between the Promoters, Company and Honasa having the terms and conditions as mentioned therein;

**Subsidiary** has the meaning given to it in the Companies Act;

**Taxation** or **Tax** means all forms of taxation, duties (including stamp duties), levies, imposts and employee social security contributions/charges, whether direct or indirect including corporate income tax, service tax, wage withholding tax, value added tax, customs and excise duties, capital tax and other legal transaction taxes, dividend withholding 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 which may be due directly or by virtue of joint and several liability in any relevant jurisdiction; 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;

**Third Closing** shall with reference to each Tranche, mean the consummation of all transactions set out in Clauses 6.10 and 6.11 on each Tranche;

**Third Closing Date** has the meaning given to in Clause 6.10;

**Third Party** means any Person other than the Parties;

**Transaction Documents** means this Agreement, Shareholders' Agreement and such other documents as may be agreed by and between the Parties in writing. For avoidance of doubt, with respect to Sellers (excluding Promoters) shall mean this Agreement;

**Warranties** means Seller Warranties given by each Seller (with respect to itself) in accordance with Clause 8.1, the Business Warranties given by the Promoters in accordance with Clause 8.2 and the Remaining Share Sale Warranties given by each Promoter (with respect to himself) in accordance with Clause 8.3;

**Warrantors** means (a) each of the Seller in relation to their respective Seller Warranties, (b) the Promoters in relation to Business Warranties, jointly or severally, and/or (c) each Promoter in relation to his respective Remaining Share Sale Warranties, and **Warrantor** means any of them.

## 1.2 Interpretation

In this Agreement:

- (a) references to **relevant authority** means any government, or any governmental, non-governmental, legislative, executive, administrative, fiscal, judicial or regulatory, authority, body, board, ministry, department, commission, tribunal, agency, instrumentality or other Person exercising legislative, executive, administrative, fiscal, judicial or regulatory functions (including any court, tribunal, mediator or arbitrator of competent jurisdiction), having jurisdiction over the matter in question, whether as of the Agreement Date or thereafter, in any jurisdiction or political sub-division and includes any relevant Taxation authority;
- (b) references to relevant Taxation authority means any relevant authority having jurisdiction over or responsibility with respect to, the administration, assessment, determination, collection or imposition of any Tax;
- (c) references to an individual who is a Shareholder include his executors, administrators and personal representatives. In the event of transmission of Securities of an individual who is a Shareholder, the Person to whom such Securities are transmitted shall also be deemed to be bound by the terms and conditions of this Agreement, provided that, any transmission of Securities in the event of the death of an individual who is a Shareholder will not require compliance with the transfer restrictions under the Shareholders Agreement or the Articles of Association;
- (d) subject to Clause 1.2(d) and Clause 14.7, references to a Party to this Agreement include references to the successors and assigns of that Party;
- (e) the words **including** and **include** shall mean including without limitation and include without limitation, respectively;
- (f) any reference importing a gender includes the other gender;
- (g) any reference to Rs. or INR is to Indian rupees;
- (h) any reference to writing includes typing, printing, lithography, photography and communications by emails (subject to a delivery receipt confirmation) but excludes any other form of electronic communication;
- (i) any reference to a document is to that document as amended, varied or novated from time to time otherwise than in breach of this Agreement or that document;
- (j) references to a company's issued share capital shall include equity shares as well as preference shares issued by that company;
- (k) words importing the singular include the plural and *vice versa*; and
- (l) words and expressions defined in the Companies Act have the same meaning in this Agreement unless otherwise defined.

- 1.3** In this Agreement,
- 1.3.1** any reference, express or implied, to an enactment includes:
- (a) that enactment as re-enacted, amended, extended or applied by or under any other enactment (before, on or after the execution of this Agreement);
  - (b) any enactment which that enactment re-enacts (with or without modification); and
  - (c) any subordinate legislation made (before, on or after the execution of this Agreement) under any enactment, as re-enacted, amended, extended or applied as described in Clause 1.3.1 (a) above, or under any enactment referred to in Clause 1.3.1(b) above,
- 1.3.2** In this Agreement, unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Business Day if the last day of such period is not a Business Day.
- 1.3.3** In this Agreement, unless otherwise specified, whenever any payment to be made or action taken under this Agreement is required to be made or taken on a day other than a Business Day such payment shall be made or action taken on the next Business Day.
- 1.3.4** 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.
- 1.3.5** Where there is any inconsistency between the definitions set out in Clause 1.1 and the definitions set out in any other Clause or Schedule, then for the purposes of construing such Clause or Schedule, the definitions set out in such Clause or Schedule shall prevail.
- 1.3.6** Any undertaking by any of the Parties to (a) do any act or thing shall be deemed to include an undertaking to do, or permit or assist the doing of that act or thing; or (b) not to do any act or thing shall be deemed to include an undertaking to do, or not to permit or suffer or assist the doing of that act or thing, in both cases of (a) and (b) to the extent that such action or omission shall be under the control or influence of the relevant Party taking into account such Party's rights under this Agreement and the Shareholders Agreement.
- 1.3.7** Any reference to a document in **agreed form** is to a document in form and substance agreed between the Parties and initialed for the purpose of identification by or on behalf of each of them (in each case with such amendments as may be agreed by or on behalf of the Parties).
- 1.3.8** Any reference to obtaining regulatory approvals shall be deemed to include an obligation on the concerned Party(ies) to make commercially reasonable efforts to expeditiously obtain such approval.
- 1.3.9** Subject to the provisions of the Shareholders' Agreement, any right of Honasa to subscribe to and / or receive Securities including Subscription Share shall include the right of Honasa to subscribe to such Securities by itself or through an Affiliate.
- 1.3.10** Unless stated otherwise, in computing the shareholding of any Party, for determining the

rights and privileges available to such Party under this Agreement and the Shareholders' Agreement, the shares/Securities held by its Affiliates shall be considered as being held by such Party.

- 1.3.11 Unless the contrary intention appears, a reference to a Clause or Schedule or Annexure is a reference to a clause of or schedule to or annexure to this Agreement. The Schedules and the Annexures form part of this Agreement.
- 1.3.12 The headings in this Agreement do not affect its interpretation.

## 2. SHAREHOLDING

- 2.1 On the Agreement Date and immediately prior to the First Closing, the shareholding pattern of the Company on a Fully Diluted Basis shall be as set out in **Part 1 of Schedule 1**.
- 2.2 Following First Closing, the shareholding pattern of the Company on a Fully Diluted Basis shall be as set out in **Part 2 of Schedule 1**.
- 2.3 Following Second Closing, the shareholding pattern of the Company on a Fully Diluted Basis shall be as set out in **Part 3 of Schedule 1**.
- 2.4 Following the last of the Third Closing, the shareholding pattern of the Company on a Fully Diluted Basis shall be as set out in **Part 4 of Schedule 1**.

## 3. AGREEMENT TO SELL THE SALE SHARES FOR THE SALE CONSIDERATION, SUBSCRIBE THE SUBSCRIPTION SHARES FOR THE SUBSCRIPTION CONSIDERATION AND SELL THE REMAINING SHARES FOR THE REMAINING CONSIDERATION AND RETENTION BONUS

- 3.1 Subject to the terms and conditions of this Agreement and the fulfillment of the First Conditions Precedent, each Seller shall sell, transfer, convey and deliver to Honasa relying on the Honasa Warranties, and Honasa shall purchase, acquire and accept from each Seller, relying on the Seller Warranties of each Seller and the Business Warranties given by the Promoters, as on the First Closing Date (*as defined hereinafter*), the Sale Shares (free of all Encumbrances), and all rights, title and interest of the Sellers in and to the Sale Shares, together with all the benefits and rights attaching thereto, in lieu of the payment of the Sale Consideration by Honasa to the Sellers as specified in Annexure 2. Immediately thereafter and subject to terms and conditions of this Agreement, Honasa relying on the Business Warranties given by the Promoters as on the First Closing Date and the indemnities given by the Promoters under this Agreement, agrees to subscribe to, and the Company hereby agrees to issue and allot to Honasa, on the First Closing Date, Initial Subscription Shares being free and clear of all Encumbrances, with all rights, title and benefits attaching to them for Initial Subscription Consideration.
- 3.2 Other than satisfaction of the First Conditions Precedent and the Sellers' and Honasa's obligations on First Closing, the Company hereby confirms that it does not require any further information or actions for effecting the transfer of the Sale Shares to Honasa.
- 3.3 Subject to the terms and conditions of this Agreement, and the fulfillment of the Second Conditions Precedent to the satisfaction of Honasa, Honasa, relying on the Business Warranties given by the Promoters and the indemnities given by the Promoters under this Agreement, agrees to subscribe to, and the Company hereby agrees to issue and allot to Honasa, on the Second Closing Date, Final Subscription Shares being free and clear of all

Encumbrances, with all rights, title and benefits attaching to them for Final Subscription Consideration.

- 3.4** The Subscription Shares shall be allotted on such terms as contained in hereto.
- 3.5** Subject to the terms and conditions of this Agreement and the determination of the Remaining Consideration, Honasa, relying on the Business Warranties and the Remaining Share Sale Warranties given by the Promoters at each Tranche (as defined below), and the Promoters relying on Honasa Warranties at each Tranche, Honasa shall acquire the Remaining Shares in (three) tranches over a period of 3 (three) years in the manner as provided below:
- 3.5.1** 7,497 Securities shall be purchased by Honasa within 30 days from completion of the limited review by the auditor of the Company, for the financial year April 1, 2022 – March 31, 2023 (“**Tranche 1**”); 7,497 Securities shall be purchased by Honasa within 30 days from completion of the limited review by the auditor of the Company for the financial year April 1, 2023 – March 31, 2024 (“**Tranche 2**”); and 7,497 Securities shall be purchased by Honasa within 30 days from completion of the limited review by the auditor of the Company for the financial year April 1, 2024 – March 31, 2025 (“**Tranche 3**”). Tranche 1, Tranche 2 and Tranche 3 shall be collectively be referred to as “**Tranche**”. Provided that (a) if none of the Promoters are in the employment of the Company then the relevant Securities to be purchased by Honasa for a Tranche, shall be purchased by Honasa within 30 (thirty) days from the completion of the limited review by a Big Four Firm appointed mutually by the Promoters and Honasa; and (b) completion of the limited review by the auditor of the Company or the Big Four Firm, as applicable, shall be no later than 60 (sixty) days from the end of the relevant financial year as applicable to a Tranche.
- 3.5.2** Each Tranche shall be purchased at price per Security calculated basis 5x of the Revenue for the relevant Tranche (“**Remaining Consideration**”). It is further clarified that if the Revenue for a Tranche deviate downwards from the projected Revenues specified in the Business Plan (*as defined in the Shareholders’ Agreement*) by more than 19.99%, the valuation multiple for that relevant Tranche will be adjusted to 4.5x of the Revenue for the relevant Tranche. In addition to the Remaining Consideration, each Promoter will receive retention bonus in the kind and manner as provided in Clause 3.8 below.
- 3.6** Subject to Clause 3.5, the Promoters hereby agree that Honasa shall separately enter into a share purchase agreement with the ESOP Holder for the purposes of purchasing all the Equity Shares held by the ESOP Holders, and which Equity Shares form part of the Remaining Shares for the proportionate Remaining Consideration of the ESOP Holders, and the Promoters agree that it shall cause the ESOP Holders to give similar representation and warranties and indemnity rights to Honasa under such share purchase agreement as provided by the Promoters for their respective Remaining Shares under this Agreement. It is also hereby agreed that the Promoters shall cause the ESOP Holders to execute a power of attorney in favor of any of the Promoter, in a form and manner agreed with Honasa, as and when the options are vested with such ESOP Holders which shall provide the right to such Promoter to transfer Equity Shares of such ESOP Holders as part of the relevant Tranche.
- 3.7** Each Shareholder entitled to exercise (a) their pre-emptive rights or any right of first offer of right of first refusal (as per the Existing SHA and the corresponding provisions under the Articles of Association); and/or (b) the right to purchase Securities from a Shareholder (as per the Existing SHA and the corresponding provisions under the Articles of

Association) and/or (c) any other right under the Existing SHA and the corresponding provisions under the Articles of Association, hereby waives its respective aforementioned pre-emption right, rights of first offer, right of first refusal, acquisition rights and/or any other right under the Existing SHA and the corresponding provisions under the Articles of Association, in relation to (i) issuance and allotment of the Subscription Shares to Honasa as contemplated under this Agreement; and (ii) the transfer of the Sale Shares and Remaining Shares pursuant to this Agreement.

### 3.8 Retention Bonus Payout

**3.8.1** The Parties agree that in addition to the Remaining Consideration that the Promoters are entitled to receive on each Third Closing for the relevant Tranches as provided in Clause 3.5, the Promoters shall also receive the retention bonus from Honasa in the following manner:

- (a) After completion of 2 (two) years from the First Closing Date (“**First Payout Period**”) but no later than 60 (sixty) days from the expiry of the First Payout Period, Honasa shall issue 3 (three) equity shares to each Promoter (“**First Payout**”). For avoidance of doubt, (a) if as at the First Payout Period, any Promoter is not in the employment of the Company on account of termination of his employment for death, disability or Cause (“**Non Entitled Promoter**”) then only in such case shall such Non Entitled Promoter not receive his share of the First Payout and Honasa will not issue any equity shares to such Non Entitled Promoter; or (b) if as at the First Payout Period, any Promoter is not in the employment of Company on account of termination of his employment not for any Cause then such Promoter will receive its First Payout on a pro – rata basis for example if the Promoter was in employment for 1 year then the Promoter will receive the First Payout pro-rata for that 1 (one) year of employment. For purpose of clarity, capital restructuring by way of bonus issue and splitting of equity shares shall also apply to First Payout.

#### **Second Payout**

- (b) After completion of 4 (four) years from the First Closing Date (“**Second Payout Period**”) but no later than 60 days from the expiry of the Second Payout Period, Honasa shall issue its equity shares worth INR 1,08,33,333.33 (Rupees One Crore Eight Lakh Thirty Three Thousand Three Hundred Thirty Three and Paise Thirty Three) to each Promoter based on Honasa’s valuation specified in sub-clause 3.8.1(d) (“**Second Payout**”). For avoidance of doubt, (a) if as at the Second Payout Period, any Promoter is a Non Entitled Promoter then only in such case shall such Non Entitled Promoter not receive his share of the Second Payout and Honasa will not issue any equity shares to such Non Entitled Promoter; or (b) if as at the Second Payout Period, any Promoter is not in the employment of Company on account of termination of his employment not for any Cause then such Promoter will receive its Second Payout on a pro – rata basis for example if the Promoter was in employment for 1 year then the Promoter will receive the Second Payout pro-rata for that 1 (one) year of employment.
- (c) The number of shares to be issued by Honasa for the Second Payout shall be decided based on the valuation of Honasa as at the Second Payout Period.

#### 4. CONDITIONS PRECEDENT

##### First Conditions Precedent

4.1 The obligation of Honasa to purchase the Sale Shares is subject to fulfilment (to the reasonable satisfaction of Honasa), of the conditions precedent set out in **Part A of Schedule 3 ("First Conditions Precedent")**, by the Long Stop Date, unless any one or more of the First Conditions Precedent is specifically waived in writing by Honasa.

#### 4.2 Completion Notice

4.2.1 Each Seller and the Promoters shall forthwith, upon satisfaction of the First Conditions Precedent, give Honasa a written notice of the same in the format as set out in Schedule 2 ("**First CP Completion Notice**"), and provide all supporting documents, as applicable.

4.2.2 On the date of the First CP Completion Notice, the Sellers, the Company, the Promoters, as the case may be, shall deliver to Honasa written confirmation that as at the date of the First CP Completion Notice:

(a) the Sellers, the Company and the Promoters shall confirm that there shall not have been any proceeding, temporary restraining order, preliminary or permanent injunction, attachment or other order issued by any court of competent jurisdiction or other legal or regulatory prohibition or restriction or other action issued, pending or, threatened which:

(i) involves a challenge to, or seeks to, or which prohibits, prevents, restrains, restricts, delays, makes illegal or otherwise interferes with the consummation of any of the transactions contemplated under this Agreement; or

(ii) seeks to impose conditions upon the ownership or operations of the Company or which affect the ability of the Sellers to sell the Sale Shares;

(b) the Promoters and the Company shall confirm that no event has occurred which has or may have a Material Adverse Effect; and

(c) the Seller Warranties of each Seller, as the case may be, are true, accurate and complete and that it is not aware of any matter or thing which is in breach of or inconsistent with any of the respective Seller Warranties, as the case may be.

4.2.3 Immediately on receipt of the First Completion Notice, Honasa, through its advisors/counsel, or otherwise, shall satisfy itself as to the fulfillment of the First Conditions Precedent.

4.2.4 Honasa shall notify the Sellers, the Promoters and/or the Company, as the case may be, (in writing) within 7 (seven) Business Days from the date of receipt of their respective First CP Completion Notice and the documents relating to the First Conditions Precedent, its satisfaction or dissatisfaction with the fulfillment of their respective First Conditions Precedent or waiving the fulfillment of any of the First Conditions Precedent. In the event Honasa notifies the Promoters, Company and/or the relevant Seller, as the case may be, of its dissatisfaction under this Clause, the Promoters, the Company and/or the relevant Seller, as the case may be, shall fulfill the relevant First Conditions Precedent within 3 (three) Business Days of receipt of such notice and shall provide to Honasa, all requisite documents



evidencing fulfillment of those specific First Conditions Precedent.

- 4.2.5** Subject to Clause 4.2.6, the procedure referred to above shall be followed thereafter until all the First Conditions Precedent are fulfilled, to the satisfaction of Honasa unless waived by Honasa.
- 4.2.6** If the Part A First Conditions Precedent are not fulfilled by either the Company, Promoters or the Sellers then Honasa, at its sole discretion, will have the option to either (i) proceed with the First Closing by (a) acquiring the Sale Shares of the Sellers who have completed their respective First Conditions Precedent; and (b) subscribing to Initial Shares; or (ii) to not proceed with the First Closing and terminate this Agreement.
- 4.2.7** The Sellers, the Promoters and the Company shall co-operate and provide all reasonable information and assistance to Honasa and/or its advisors and authorized representatives to enable it to verify the documents provided as part of their respective First CP Completion Notice. In the event that Honasa is satisfied with the fulfillment of all the First Conditions Precedent, then Honasa (either itself or through its advisors) shall in writing (including via email) communicate to the Promoters, the Sellers and/or the Company, as the case may be, stating its satisfaction in relation to the fulfillment of all the First Conditions Precedent provided to Honasa (“**Acceptance Notice**”).
- 4.2.8** The Promoters and the Company agrees to provide an updated Disclosure Letter to Honasa as part of the First Conditions Precedent. The Promoters, Sellers and the Company agrees and acknowledges that if disclosure provided in the Disclosure Letter is not acceptable to Honasa then Honasa shall at its sole discretion may, after giving the relevant Party, with a copy to the Sellers, at least 7 (Seven) Business Days to rectify the matter and if still not rectified, upon notice of 2 (Two) Business Days to the Promoters, Sellers and the Company, terminate this Agreement.

#### **4.3 Waiver**

Honasa may waive all or any of the First Conditions Precedent (except Part B Conditions Precedent) at any time by notice in writing to the Sellers, the Promoters and/or the Company, as the case may be, subject to such conditions which Honasa may deem fit.

#### **4.4 Obligations of the Company, the Promoters and the Sellers**

- 4.4.1** If at any time, the Company, the Promoters and/or the Sellers becomes aware of a fact or circumstance that might prevent any of the respective First Conditions Precedent from being satisfied, it shall immediately and no later than 2 (Two) Business Days inform Honasa in writing of the same.
- 4.4.2** The Sellers (other than Promoters and ESOP holders) hereby state that their obligations (including fulfillment of First Conditions Precedent and Seller Warranties as on the Execution Date and on the First Closing Date) are limited to the sale of their respective Sale Shares as contemplated under this Agreement. It is hereby agreed, that such Sellers (other than the Promoters and/or ESOP Holders) who have transferred their respective Sale Shares to Honasa on the First Closing Date shall not be liable for any other responsibility and/ or obligations in relation to Second Closing and Third Closing as contemplated under this Agreement. For avoidance of doubt, it is hereby clarified that post First Closing Date, the Sellers shall continue to be liable for its respective Post First obligation as specified in Part A(II) of Schedule 7 and their respective Indemnity obligations as provided in Clause 9 of this Agreement.

Second Conditions Precedent

- 4.5 The obligation of Honasa to subscribe to Subscription Shares, on Second Closing Date shall be conditional upon fulfilment (or waiver, as the case may be, by Honasa at its sole discretion) of the conditions precedent set out in **Part B of Schedule 3** (“**Second Conditions Precedent**”) to the satisfaction of Honasa.
- 4.6 The Promoters agree that Clauses 4.2, 4.3 and 4.4 shall apply *mutatis mutandis* in relation to Second Conditions Precedent. To the extent any conditions are required to be fulfilled by the Company for the occurrence of the Second Closing, each of the Promoters shall severally take all actions as required to be undertaken by the Company for achievement of the Second Closing.

Third Conditions Precedent

- 4.7 The obligation of Honasa to purchase the relevant Remaining Shares as allocated for each Tranche, and of the Promoters and ESOP Holders to sell their respective Remaining Shares as allocated for such Tranche is subject to fulfilment (to the satisfaction of Honasa and the Promoters), of the determination of Revenue (in accordance with Clause 6 of the Shareholders’ Agreement) and the **Part C of Schedule 3** for each such Tranche (“**Third Conditions Precedent**”).

**5. CONDUCT BETWEEN AGREEMENT DATE AND FIRST CLOSING**

**5.1 Standstill**

- (a) **Negative Covenants:** On and from the Agreement Date until the First Closing Date the Company, shall not, and (i) each of the Promoters and the Sellers (in so far it is within their control) shall severally procure that neither the Company, nor any Director nominated by such party, and (ii) the Promoters shall procure that no officer, employee or agent of the Company shall, directly or indirectly, whether by merger, amalgamation, reincorporation, reorganization or otherwise, carry out the following actions (except as may be required to satisfy any of the First Conditions Precedent or be undertaken on the First Closing Date) without the prior affirmative written consent of the Honasa:
- (i) to issue or permit to be subscribed, any Securities (whether equity or debt and whether or not convertible into Equity Shares), including any re-issue of forfeited Equity Shares or change the face value of or rights attached to any of the Securities or create or redeem any class of Securities or in any way change the Share Capital or the rights of the existing Securities in its Share Capital;
  - (ii) to declare, make or pay any dividend or other distribution to the Shareholders of the Company (excluding payment of amount to Shareholders in their capacity as directors of the Company), including issuance of bonus shares to members;
  - (iii) borrow any money or make any loan (other than borrowings or lending in the ordinary course of business consistent with past practice) or provide any security or furnish any guarantee or indemnity or create or permit to subsist any Encumbrance over its assets;

- (iv) to effect or pass any resolution to effect any amendment to the Charter Documents;
  - (v) to effect or pass any resolution to effect any reorganisation, liquidation, dissolution or winding up, consolidation or merger of the Company;
  - (vi) to write off debtors, discharge any liability or write down value of assets;
  - (vii) incur any unbudgeted expenditure or any commitment in excess of INR 40,00,000 (Indian Rupees Forty Lakh only) in the aggregate other than in the ordinary course of business;
  - (viii) enter into, modify or terminate any contract affecting its Business;
  - (ix) pass any resolutions to seek or solicit any offer (including in connection with any proposed private or public offering of Equity Shares) or proposal from any Person to acquire any assets or Equity Shares or other Securities of the Company convertible into Equity Shares (or interests therein) or otherwise initiate, authorise, make, accept, negotiate, discuss, entertain or otherwise pursue any proposals to raise finance whether by way of debt, equity or otherwise for the Company; and
  - (x) to agree, conditionally or otherwise, to do any of the foregoing.
- (b) **Affirmative Covenants:** On and from the Agreement Date until the First Closing Date, the Promoters, and the Company shall undertake all of the following actions:
- (i) to maintain the Company's corporate existence and its right to carry on operations and conduct the Business in a proper efficient manner and in compliance with all the applicable laws, Approvals, contracts, agreements, binding promises and obligations as applicable to it and which is material to the operations of the Business;
  - (ii) to maintain the books and records of the Company in the usual manner and not permit a material change in any underwriting, investment, financial reporting, tax, or accounting practice or policy of the Company or in any assumption underlying such a practice or policy;
  - (iii) promptly apply for renewal, and comply with, all consents and Approvals which may be required under any applicable laws to enable the Company to perform the Business;
  - (iv) to provide all such information and/or communications to any Governmental Authority who may reasonably request for the same;
  - (v) to carry on the Business in the ordinary course;
  - (vi) to promptly and no later than 2 (Two) Business Days from a written request, provide to Honasa any information as may be reasonably requested by Honasa from time to time; and

- (vii) to immediately and no later than 2 (Two) Business Days notify Honasa in writing of any matter or thing which arises or becomes known to such party before the First Closing Date which constitutes (or would after the lapse of time constitute) a misrepresentation or a breach of any of their respective Seller Warranties and/or the Business Warranties or covenants or the undertakings or other provisions as applicable to the Promoters and set out in this Agreement.

## **6. CLOSING**

### *First Closing*

#### **6.1 Venue and Time of First Closing**

Subject to the fulfillment of First Conditions Precedent to the reasonable satisfaction of Honasa and subject to Clause 6.7, the First Closing shall take place at Gurgaon, India or any other place that the Parties agree to, or remotely via electronic exchange of documentation, within 7(seven) Business Days from the Acceptance Notice in relation to First Conditions Precedent (“**First Closing Date**”) but no later than the Long Stop Date.

- 6.2** All transactions contemplated by the Agreement to be consummated at First Closing shall be deemed to occur simultaneously and no such transaction shall be deemed to be consummated unless all such transactions are consummated. The Parties further agree that if any of the actions required for the First Closing have taken place on more than 1 (one) Business Day, and all such actions and / or conditions have been fulfilled, the said Business Day on which the last of such actions and / or conditions has been fulfilled, shall be the First Closing Date.

#### **6.3 At First Closing Date:**

- 6.3.1** Subject to the issue of an Acceptance Notice, Honasa shall remit the Sale Consideration subject to applicable Taxes, if any, in the proportion set out Annexure 2 to the respective Sellers in the respective Sellers bank accounts, by way of wire transfer to the bank account designated by such Seller. To the extent Honasa withholds any Taxes on any portion of the Sale Consideration payable to a Seller, Honasa shall within the period permitted by Applicable Law, deposit the Taxes so withheld and provide each Seller with a copy of the challan and filing with the Tax Authority.
- 6.3.2** Simultaneously with the remittance of the Sale Consideration, the relevant Seller and the Promoters shall severally (with respect to their respective Sale Shares) procure that the duly signed and dated irrevocable demat delivery instructions slips pertaining to their respective Sale Shares shall be handed over to Honasa by the Company or the Company shall deliver to the Honasa a copy of share transfer forms duly stamped and executed by such Seller in respect of its respective Sale Shares.
- 6.3.3** The Promoters shall procure that each Seller shall cause the transfer of relevant Sale Shares, free and clear of all Encumbrances, to be credited to the Honasa demat account.
- 6.3.4** The relevant Seller and the Promoter shall severally (with respect to their respective Sale Shares which are in a physical form) procure that the Company shall deliver to Honasa duly endorsed share certificates evidencing the title to the relevant Sale Shares.
- 6.3.5** The Promoters shall procure that the Company shall convene a meeting of the Board to

pass the following necessary resolutions, in agreed form, and shall also provide a certified true copy of such resolutions to each of the Sellers, Promoters and Honasa:

- (a) for taking on record the transfer and sale of Sale Shares from the relevant Sellers to Honasa;
- (b) to enter the name of Honasa in the register of members of the Company in respect of the relevant Sale Shares that are in a physical form;
- (c) to take note of the resignation of the existing directors on the Board of the Company nominated by India Opportunities Fund and Yournest Angel Fund Scheme - 1;
- (d) to recommend the Honasa nominated directors on the Board of the Company such that majority of the Board consists of directors nominated by Honasa;
- (e) to (i) add the names of such persons as suggested by Honasa as additional authorized signatories for banking related activities of the Company, and (ii) approve the operation of the Company's bank accounts by any of the two Promoters for a transaction (or a series of related transactions) which do not exceed in aggregate INR 50,00,000 (Indian Rupees Fifty Lakhs only);
- (f) to approve the amended Articles of Association of the Company;
- (g) to approve and adopt the Business Plan; and
- (h) convene an extra-ordinary general meeting of the Company at a shorter notice.

**6.3.6** Each of Honasa and the Promoters shall procure that they as Shareholders in an extraordinary general meeting of the Shareholders: (i) pass a special resolution approving and adopting the amended Articles of Association, in an agreed form; and (ii) pass an ordinary resolution approving appointment of Directors, as nominated by Honasa on the Board, in an agreed form. A certified true copy of such resolutions shall be provided to Honasa and the Promoters.

**6.3.7** Only after the Sale Shares have been transferred to Honasa, Honasa shall remit the Initial Subscription Consideration subject to applicable Taxes to the Company in the Company Account, by way of wire transfer to the Company Account.

**6.3.8** The Promoters and Honasa shall procure that the Company shall hold a meeting of the Board to pass the resolution approving the allotment of Initial Subscription Shares to Honasa with specific reference to the relevant distinctive numbers and the issuance of corresponding share certificates duly signed, sealed and stamped respectively and shall provide Honasa a certified true copy of such resolution. Further, the Promoters shall procure that the Company (a) shall file a corporate action form with its Registered Transfer Agent/Depository Participant, as the case may be, to credit the Initial Subscription Shares to Honasa's demat account and shall also pay the relevant stamp duty; and (b) shall provide a certified true copy of the benpos statement of the Company to Honasa reflecting the Sale Shares and the Initial Subscription Shares being held by Honasa.

**6.3.9** Each Seller of Sale Shares shall provide and deliver to Honasa, the executed Closing Tax Documents, which shall be in the form agreed by Honasa.

- 6.4 The Promoters shall procure duly executed letter in the format as specified in Schedule 8 of the Shareholders' Agreement from the ESOP Holders holding Equity Shares in the Company and shall provide the same to Honasa.
- 6.5 The Promoters shall cause and the Company shall undertake (i) all the filings to be made with the Registrar of Companies in relation to the resolutions as approved by the Board in Clause 6.3.4 and Clause 6.3.7 and approved by the Shareholders in Clause 6.3.5; and (ii) all the filings in relation to Reserve Bank of India and (iii) as specified in **Part A(I)** of **Schedule 7**. Each Seller, to the extent applicable, shall complete their respective actions set out at **Part A(II)** of **Schedule 7** within the timelines stipulated thereunder.
- 6.6 The Parties agree, that notwithstanding anything contained in this Agreement, if 51% (fifty one percent) or more of the Share Capital (*on a Fully Diluted Basis*) of the Company is not transferred by the Sellers on the First Closing Date, in the manner and time as provided under this Clause 6 then, without prejudice to other rights that Honasa may have under this Agreement, and under Law or equity, at the request of Honasa, the respective Sellers who have received the relevant Sale Consideration from Honasa for transfer of their respective Sale Share, shall within 7 (seven) days of such request, refund the entire Sale Consideration to Honasa, and the entire transaction shall be reversed provided, that with respect to India Opportunities Fund the transaction can be reversed only if the intimation to India Opportunities Fund by Honasa that it has not been able to acquire 51% or more of the Share Capital of the Company is made no later than 10 A.M. on the next day following the date when Honasa has transferred the relevant Sale Consideration to India Opportunities Fund and such time can further be extended by mutual agreement. For the purpose of clarity, the Parties agree that Honasa shall only proceed with the transaction if at least 51% or more of the Share Capital of the Company on a Fully Diluted Basis is transferred by the Sellers to Honasa on the First Closing Date otherwise the transaction shall be reversed at the option of Honasa and the Sellers who have received their respective Sale Consideration shall, refund such Sale Consideration to Honasa within timeline as mentioned above and Honasa shall transfer the shares back to the respective Sellers. For avoidance of doubt, if the intimation is not provided to India Opportunities Fund, then it will be deemed that Honasa has acquired 51% (fifty one percent) or more of the Share Capital (*on a Fully Diluted Basis*) of the Company.
- 6.7 The Parties agree and acknowledge that Honasa shall proceed with acquiring the relevant Sale Shares of Fabrice Cavallin and/or Mr. Deven Laxmichann Dedhia J/t Ms. Pallavi Deven Dedhia only if Honasa is able to remit the relevant Sale Consideration to be paid for the relevant Sale Shares of Fabrice Cavallin and/or Mr. Deven Laxmichann Dedhia J/t Ms. Pallavi Deven Dedhia through proper banking channels provided the RBI filing related issues with respect to the relevant Sale Shares of Fabrice Cavallin and/or Mr. Deven Laxmichann Dedhia J/t Ms. Pallavi Deven Dedhia can also be resolved in the opinion of Honasa and therefore, the First Closing only in relation to Fabrice Cavallin and/or Mr. Deven Laxmichann Dedhia J/t Ms. Pallavi Deven Dedhia shall be delayed and the First Closing Date shall be such date when the Honasa proceeds to acquire the relevant Sale Share from Fabrice Cavallin and Mr. Deven Laxmichann Dedhia J/t Ms. Pallavi Deven Dedhia. The Company, the Promoters, Fabrice Cavallin and Mr. Deven Laxmichann Dedhia J/t Ms. Pallavi Deven Dedhia agree to provide reasonable assistance to Honasa in order to resolve the RBI filing related issues. For avoidance of doubt, the First Closing for the other Sellers shall not be impacted by this Clause 6.7 and Honasa shall proceed with First Closing as per Clause 6 of this Agreement.

Second Closing

## **6.8 Venue and Time of Second Closing**

Subject to the fulfillment of Second Conditions Precedent, the Second Closing shall take place at Gurgaon, India or any other place that the Honasa and Promoters agree to, or remotely via electronic exchange of documentation, within 5 (five) Business Days from the issuance of Acceptance Notice in relation to Second Conditions Precedent (“**Second Closing Date**”) on or prior to April 30, 2022.

**6.9** All transactions contemplated by the Agreement to be consummated at Second Closing shall be deemed to occur simultaneously and no such transaction shall be deemed to be consummated unless all such transactions are consummated. The Parties further agree that if any of the actions required for the Second Closing have taken place on more than 1 (one) Business Day, and all such actions and / or conditions have been fulfilled, the said Business Day on which the last of such actions and / or conditions has been fulfilled, shall be the Second Closing Date.

## **6.10 At Second Closing:**

**6.10.1** Subject to the fulfillment of all the Second Conditions Precedent, Honasa shall remit the Final Subscription Consideration to the Company in the Company’s Accounts, by way of wire transfer to the Company Account.

**6.10.2** The Promoters and Honasa shall severally procure that the Company shall hold a meeting of the Board to pass the resolution approving the allotment of Subscription Shares to Honasa with specific reference to the relevant distinctive numbers and the issuance of corresponding share certificates duly signed, sealed and stamped respectively and shall provide Honasa a certified true copy of such resolution.

**6.10.3** (i) The Promoters shall procure that the Company shall file a corporate action form with its Registered Transfer Agent/Depository Participant, as the case may be, to credit the Final Subscription Shares to Honasa’s demat account and shall also pay the relevant stamp duty; and (ii) the Promoters shall procure that the Company shall provide a certified true copy of the benpos statement of the Company to Honasa reflecting the Sale Share, the Initial Subscription Shares and Final Subscription Shares being held by Honasa.

### Third Closing

## **6.11 Venue and Time of each Third Closing**

**6.12** Subject to the fulfillment of the Third Conditions Precedent for each Tranche, each Third Closing for a Tranche shall take place at Gurgaon, India or any other place that the Promoter and/or ESOP Holders agree to, or remotely via electronic exchange of documentation, within 5 (five) Business Days from the determination of Revenue (in accordance with Clause 6 of the Shareholders’ Agreement) for each Tranche (each a “**Third Closing Date**”).

## **6.13 At Each Third Closing**

**6.13.1** On each Third Closing Date, Honasa shall remit the Remaining Consideration for the relevant Tranche subject to applicable Taxes in the proportion set out Annexure 3 to the relevant Promoters and/or the ESOP Holders in their respective bank accounts, by way of wire transfer to the bank account designated by such seller. To the extent Honasa withholds any Taxes on any portion of the Sale Consideration payable to a Promoter

and/or ESOP Holder, Honasa shall within the period permitted by Applicable Law, deposit the Taxes so withheld and provide each seller with a copy of the challan and filing with the Tax Authority.

- 6.13.2** Simultaneously with the remittance of the relevant Remaining Consideration for a Tranche (and as adjusted to exclude the proportionate Remaining Consideration as given to the ESOP Holder under their relevant share purchase agreement as specified in Clause 3.6, the Promoters shall cause the transfer of relevant Remaining Shares, free and clear of all Encumbrances, to be credited to the Honasa demat account.
- 6.13.3** The Promoter shall procure that the Company shall deliver to Honasa duly endorsed share certificates evidencing the title to the relevant Remaining Shares that are in a physical form and/or the Promoters shall procure that the Company shall deliver to Honasa benpos statement that shall reflect Honasa as the holder of relevant Remaining Shares, as the case may be.
- 6.13.4** Each of the Promoter who is selling the Remaining Shares shall provide and deliver to Honasa, the executed Closing Tax Documents, which shall be in the form agreed by Honasa.
- 6.13.5** In relation to the relevant Tranche, the Promoters and Honasa shall severally procure that the Company shall convene a meeting of the Board to pass the following necessary resolutions and shall also provide a certified true copy of such resolutions to Honasa:
- (a) for taking on record the transfer and sale of Remaining Share for the relevant Tranche from the relevant Promoters and/or ESOP Holders, as the case may be, to Honasa; and
  - (b) to enter the name of Honasa in the register of members of the Company in respect of the Remaining Shares that are in a physical form for the relevant Tranche.
- 6.14** The Company and the Promoters agree that procedure as provided in Clauses 6.12 shall be followed with respect to each Tranche.

## **7. CONDITIONS SUBSEQUENT**

### ***Post First Closing***

- 7.1** Within 30 (thirty) days from the First Closing Date, each of the Sellers, the Company and the Promoters severally undertake and confirm to complete its respective actions as listed out in **Part A of Schedule 7**. Honasa shall provide all assistance reasonably necessary for the Company to undertake its obligations in terms of this Clause including by passing Requisite Affirmative Consent wherever applicable. It is further agreed by Mr. Deven Laxmichand Dedhia that he shall provide all assistance, co-operation, any documents, deeds, execute all necessary documents that may be required by the Company and/or Honasa, as the case may be, in relation to any queries raised by Reserve Bank of India in relation to allotment of shares to Mr. Deven Laxmichann Dedhia J/t Ms. Pallavi Deven Dedhia on May 05, 2017, September 15, 2017, March 31, 2018, May 04, 2018, and August 03, 2018 and the Promoters shall also reasonably co-operate on a best effort basis with the Company and/or Honasa in relation to procuring any kind of documents.

### ***Post Second Closing***



- 7.2 Within 30 (thirty) days from the Second Closing Date, each of the Company and the Promoters severally undertake and confirm to complete its respective actions as listed out in **Part B of Schedule 7**. Honasa shall provide all assistance reasonably necessary for the Company to undertake its obligations in terms of this Clause including by passing Requisite Affirmative Consent wherever applicable.

***Post Third Closing***

- 7.3 Within 30 (thirty) days from the Third Closing Date, each of the the Company and the Promoters severally undertake and confirm to complete its respective actions as listed out in **Part C of Schedule 7**. Honasa shall provide all assistance reasonably necessary for the Company to undertake its obligations in terms of this Clause including by passing Requisite Affirmative Consent wherever applicable.

**8. REPRESENTATIONS AND WARRANTIES**

**8.1 Representations and Warranties of each Seller**

Each Seller hereby represents and warrants on a several basis that each of the statement as set out in **Schedule 4 (Seller Warranties)** are complete, true and accurate with respect to himself/itself, and not misleading as of the Agreement Date and shall continue to be complete, true and accurate and not misleading as on the First Closing Date.

**8.2 Representations and Warranties of the Promoters**

The Promoters (on a joint and several basis) hereby represents and warrants that each of the statement set out in **Schedule 5 (Business Warranties)** are complete, true and accurate and not misleading as of the Agreement Date and shall continue to be complete, true and accurate and not misleading as on the First Closing Date, Second Closing Date and on Third Closing Date in relation to each Tranche.

**8.3 Representations and Warranties of the Promoters as Sellers on Third Closing**

Each Promoter and ESOP Holder shall (on a several basis) hereby represents and warrants that each of the statement set out in **Schedule 6 (Remaining Share Sale Warranties)** are complete, true and accurate and not misleading as of the Agreement Date and shall continue to be complete, true and accurate on Third Closing Date in relation to each Tranche.

**8.4 Representations and Warranties of Honasa**

Honasa hereby represents and warrants to each of the Sellers that each of the statement as set out in **Schedule 9 (Honasa Warranties)** are complete, true and accurate and not misleading as of the Agreement Date and shall continue to be complete, true and accurate and not misleading as on the First Closing Date.

- 8.5 Each Party, as the case may be, shall procure that no actions are performed or action omitted, which would result in any of the Honasa Warranties, Seller Warranties, Business Warranties and/or the Remaining Share Sale Warranties, as the case may be, being breached or rendered false, inaccurate or misleading.

- 8.6 Each of the Warranties is separate and independent and, except as expressly provided in this Agreement, is not limited by: (a) reference to any other Warranty, and (b) any other provision of this Agreement, and none of the Warranties shall be treated as qualified by any

investigation or due diligence conducted by or on behalf of Honasa (or the beneficiary of such Warranties) into the affairs of the Company, or any knowledge acquired or capable of being acquired (whether pursuant to the due diligence or otherwise) at any time by or on behalf of Honasa (or the beneficiary of such Warranties), whether before or after the First Closing, with respect to the accuracy or inaccuracy of any Warranty, and no such investigation, due diligence or knowledge shall prejudice any claim for breaches of Warranty or operate as to reduce any amount recoverable.

- 8.7** The Warrantors (only in relation to their respective Warranties) acknowledge that Honasa has entered into this Agreement on the basis that the Warranties are complete, true and accurate as on the Agreement Date, the First Closing Date, Second Closing Date and the Third Closing Date for each Tranche, as may be applicable, and nothing contained in the Warranties is misleading or inaccurate or false as on the Agreement Date, the First Closing Date, Second Closing Date and the Third Closing Date for each Tranche, as may be applicable. Honasa acknowledges that each of the other Party has entered into this Agreement on the basis that the Honasa warranties as specified in Schedule 9 are complete, true and accurate as on the Agreement Date and the First Closing Date.
- 8.8** Each Warrantors severally undertakes to notify Honasa in writing promptly (and no later than 2 (Two) Business Days if any of them becomes aware of any fact, matter or circumstance (whether existing on or before the Agreement Date or arising afterwards) which would cause any of its respective Warranties given by them, to become untrue or inaccurate or misleading in any material respect.
- 8.9** The Warranties are the only representations and warranties given by or on behalf of the respective Warrantors and no Warrantor has made any other representations or warranties to Honasa, whether express, implied, statutory, at common law, in equity or otherwise, and each Warrantors disclaim all liability in relation to it, to the maximum extent permitted by Applicable Law.
- 8.10** The Warranties (except the Seller Warranties and Remaining Shares Sale Warranties) are qualified by and subject to the facts, matters and circumstances which are disclosed in the Disclosure Letter and no Warrantor shall have any liability with respect to any claim with regard to any such matters.

## **9. INDEMNITY**

- 9.1** Subject to occurrence of the First Closing and the other limitations and procedure specified in this Clause 9 and Clause 8.10, each Seller (including Promoter as Sellers) shall severally agree to indemnify, defend and hold harmless, at any time from time to time, Honasa and its Affiliates who hold the Sale Shares, and its officers and directors, and at Honasa's discretion, the Company (referred to as "**Indemnified Parties**") from and against all Losses incurred or suffered by the Indemnified Parties as a consequence of, or relation to or arising out of or in connection with (i) any breach of its respective Seller Warranties; and/or (ii) any breach of any covenant or failure to perform its respective obligations under this Agreement.
- 9.2** Subject to occurrence of the First Closing and the other limitations and procedure specified in this Clause 9 and Clause 8.10, the Promoters, jointly and severally, agree to indemnify, defend and hold harmless, at any time from time to time, Indemnified Parties from and against all Losses incurred or suffered by the Indemnified Parties as a consequence of, or relation to or arising out of or in connection with (i) any breach of Business Warranties; and/or (ii) any breach of any covenant or failure to perform its obligations under this

Agreement; and/or (iii) any liability whatsoever (including Tax liability) that arises on the Company which relates to the period prior to First Closing); and/or (iv) for any fraud, gross negligence or gross misconduct of each Promoter and in which case, notwithstanding anything contained in this Agreement, only the relevant Promoter (and not all the Promoters) shall be severally liable; and/or (v) any breach of Remaining Share Sale Warranties; and/or (vi) any and all actions, causes of actions and suits arising out of, relating to or in connection with breach of the Warranties filed by a third party, pursuant to which any Indemnified Party is named a party.

- 9.3 The events provided in Clause 9.1 and Clause 9.2 shall each be referred to as (“**Indemnification Event**”). Seller (including Promoters in relation to Sale Shares being sold at First Closing) with respect to the Indemnification Event specified in Clause 9.1 and /or the Promoters, with respect to the Indemnification Event specified in Clause 9.2 as the case may be, shall be referred to as the “**Indemnifying Party**”.
- 9.4 Each Indemnifying Party agrees with the Indemnified Parties to waive any rights or claims which it may have against the Company in respect of any misrepresentation, inaccuracy or omission in or from any information or advice supplied or given by the Promoters and/ or any of the Directors, officers or employees of the Company, in connection with the giving of the Warranties and any indemnities under this Agreement. It is hereby clarified, that the Indemnifying Party post First Closing can proceed against the Company only in the event if (a) such claim lay against Honasa; and (b) Honasa has been liquidated.
- 9.5 If any Loss, is incurred or suffered, by the Company as a result or arising out of, or in relation to or otherwise in respect of, any of the Indemnification Events, then such percentage of the Loss, damage, liability or other cost or expenses whatsoever (as the case may be) that corresponds to the *pro-rata inter-se* shareholding of Honasa in the Company, shall be considered as a Loss suffered by or caused to Indemnified Parties as a result or arising out of, or in relation to or otherwise in respect of such Indemnification Event. The Parties also acknowledge that any Loss suffered by the Company as a result of any Indemnification Event shall be deemed to be a Loss suffered by the Honasa as per their *pro rata* shareholding on a Fully Diluted Basis at the time of the Loss.
- 9.6 The right to indemnification under this Clause 9, shall not be affected or treated as qualified by any investigation or due diligence conducted by or on behalf of Honasa into the affairs of the Company, or any knowledge acquired or capable of being acquired (whether pursuant to the due diligence or otherwise) at any time by or on behalf of Honasa, whether before or after the First Closing Date, with respect to the accuracy or inaccuracy of any Warranty, or compliance or non-compliance with any obligation, undertaking, representation, covenant or agreement of the Indemnifying Parties under this Agreement, and no such investigation, due diligence or knowledge shall prejudice any claim for breaches of any Warranty or operate as to reduce any amount recoverable.
- 9.7 Any indemnification payment under this Clause shall be made without any deductions or withholding of any kind (including Tax). In case any withholding or deduction (including Tax) is required for the payment, amount shall be grossed up such that the Loss is realized in full.
- 9.8 Subject to Clause 14.4, the indemnification rights of the Indemnified Parties under this Agreement are independent of, and in addition to, such other rights and remedies they may have under applicable law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be adversely affected by such indemnification rights.

**9.9** If the payment of any indemnified amount pursuant to this Clause 9 requires any approval, consent or intimation as per the applicable law, including that of any governmental authority or the Reserve Bank of India, the Indemnifying Party agree they will facilitate such approval, consent or intimation such that the indemnification payment can be made and will provide all such additional assistance as may be reasonably requested by an Indemnified Party including signing of documents, papers, forms, applications, etc.

## **9.10 Procedure for indemnification**

### Indemnification Claim

**9.10.1** If any of the Indemnified Parties sustains or incurs any Loss due to an Indemnification Event (“**Indemnification Claim**”), the relevant Indemnified Party shall have the right to issue a written notice against the relevant Indemnifying Party, as soon as practicable but within 15 (Fifteen) days. The Indemnification Claim shall state that the Indemnified Party has incurred a Loss, arising out of any Indemnification Event (including where any Governmental Authority or arbitral tribunal has determined that the relevant Indemnified Party has incurred a Loss relating to or arising out of or in connection with any Indemnification Claim) (“**Indemnification Notice**”), describing in detail the breach alleged and the Losses sustained or incurred by the Indemnified Party. The failure of an Indemnified Party to issue an Indemnification Notice within the period stated in Clause 9.10.1 shall not relieve the Indemnifying Parties of any indemnification responsibility under this Clause 9, unless such failure directly and adversely prejudices the ability of the relevant Indemnifying Party to defend such Indemnification Claim or increases the amount of the Losses, and in such case, the relevant Indemnifying Parties shall be relieved only to the extent of an increase in the amount of the Losses, but shall continue to remain liable to the Indemnified Parties for the remaining amounts. The Indemnifying Party shall keep the Indemnified Parties promptly informed of any new facts, matters, circumstances or developments as they arise with respect to any Indemnification Claim following the issuance of an Indemnification Notice.

**9.10.2** Within 7 (seven) Business Days of receipt of the Indemnification Notice, the Indemnifying Party shall:

- (a) Accept the Indemnification Claim raised by the relevant Indemnified Party under the Indemnification Notice; or
- (b) Issue a notice to the Indemnified Party stating that it is disputing the Indemnification Claim raised by the Indemnified Party under the Indemnification Notice and denying the liability to indemnify the relevant Indemnified Party for the alleged breach or Loss alleged to have been suffered by the Indemnified Party (“**Dispute Notice**”). It is hereby agreed between the Parties that in the event no Dispute Notice or acceptance of the Indemnification Claim has been received by the Indemnified Party within 7 (seven) Business days of receipt of the Indemnification Notice, the Indemnifying Party shall have deemed to have issued a Dispute Notice.

**9.10.3** In the event the Indemnifying Party: (a) accepts the Indemnification Claim under Clause 9.10.2 (a); or (b) such claim is determined by arbitration in accordance with Clause 10, the payments set out in the Indemnification Notice shall be made by the relevant Indemnifying Parties to the Indemnified Parties within 7 (seven) Business Days of the receipt of the Indemnification Notice, provided that, in the event that if a Governmental Authority requires an Indemnified Party to make any payment as a result of any

Indemnification Claim prior to such period, then in such circumstance, the Indemnified Party may make an Indemnification Claim prior to such payment being made by the Indemnified Party and the Indemnifying Party shall make the payment with respect to such Indemnification Claim prior to the Indemnified Party making such payment.

- 9.10.4** If (a) the Indemnifying Party issues a Dispute Notice; or (b) the Indemnification Claim was accepted by the Indemnifying Party under Clause 9.10.2 (a) but has not been effected by the Indemnifying Party, then, in each case, the Indemnified Party shall be entitled to issue notice to the Indemnifying Party, initiating arbitration proceedings in accordance with Clause 10 below.

#### Third Party Claim

- 9.10.5** If any of the Indemnified Parties receives a notice of assertion or commencement of any claim, demand, action, proceeding or suit by a third party, (a “**Third Party Claim**”), the Indemnified Party shall notify in writing to the Indemnifying Party, of such Third Party Claim.
- 9.10.6** The Indemnifying Party shall have the right, exercisable by written notice to the Indemnified Parties within 7 (seven) Business Days of the notice mentioned in Clause 9.10.5 to assume the defence of such Third Party Claim with a suitable/ appropriate counsel selected by the Indemnifying Party, at their sole cost and expense, and the Indemnifying Party shall promptly notify the Indemnified Parties of such selection of counsel. If the Indemnifying Party have assumed the defence of such Third Party Claim, the Indemnifying Party shall continue to remain liable towards the Indemnified Parties for such Third Party Claim. It is clarified, if the Indemnifying Party is India Opportunities Fund then if such Third Party Claim is determined by the relevant Governmental Authority as a bogus claim and is dismissed by such Governmental Authority (if the same is appealed then dismissal of such appeal) then cost and expenses in relation to appropriate counsel as selected by the Indemnifying Party shall be borne by the Company.
- 9.10.7** If the Indemnifying Party does not assume defence in any Third Party Claim in accordance with Clause 9.10.6, the Indemnified Parties may defend the Third Party Claim at their discretion in which case all expenses including administrative expenses, costs including legal fees, deposits or guarantees required to be made in any proceedings and/ or judicial awards, shall be borne by the Indemnifying Party, and the Indemnifying Party, shall pay the entire amount to the Indemnified Parties in the manner set out in Clause 9. The Indemnifying Party shall co-operate and provide any necessary assistance as may be reasonably required in any judicial proceeding in relation to the Third Party Claims. It is clarified, if the Indemnifying Party is India Opportunities Fund then if such Third Party Claim is determined by the relevant Governmental Authority as a bogus claim and is dismissed by such Governmental Authority (if the same is appealed then dismissal of such appeal) then cost and expenses in relation to appropriate counsel as selected by the Indemnified Party shall be borne by the Company.
- 9.10.8** If the Indemnified Parties have assumed the conduct of any dispute, defence, compromise or appeal of a Third Party Claim, the Indemnifying Party shall cooperate with the Indemnified Parties in relation to the conduct of any such dispute, defence, compromise or appeal of the Third Party Claim. The Indemnified Parties shall not without consent of the Indemnifying Party, consent to any settlement or understanding provided that such consent shall not be unreasonably withheld.

**9.10.9** If the Indemnifying Party has assumed the defence of any Third Party Claim as provided in Clause 9.10.6, it shall not without the Indemnified Party's consent, consent to any settlement or understanding, in connection therewith unless (i) the terms of the proposed settlement or understanding includes as an unconditional release of the Indemnified Parties from all liability in respect of such Third Party Claim and does not affect the goodwill or reputation of the Indemnified Party (determined by the Indemnified party acting reasonably), or (ii) there is no finding or admission of any violation of Applicable Law by the Indemnified Parties; or (iii) the sole form of relief sought in such Third Party Claim is monetary in nature and which are paid in full by the Indemnifying Party (subject to the condition that such payment shall not mean acceptance of any guilt and liability or damages the reputation or goodwill of the Indemnified Party as determined by the Indemnified Party acting reasonably).

**9.10.10** Subject to Clause 9.10.6, the Indemnified Parties shall have the right to participate (but not control) at its own expense the defence of any Third Party Claim which the Indemnifying Party is defending as provided in this Agreement; provided that if the Indemnified Parties reasonably determine in good faith that a fair settlement cannot be reached by the Indemnifying Party due to actual or potential conflicts (including with respect to defences available) with the Indemnified Parties, then the Indemnified Parties shall be entitled to retain their own counsel and participate in the defence of the Third Party Claim, and the reasonable expenses of such counsel shall be borne by the Indemnified Parties.

**9.10.11** The relevant Indemnifying Party shall bear the responsibility for providing any guarantee or making any deposits ordered in any judicial proceedings in relation to the Third Party Claim regardless of whether the Indemnifying Party has assumed defence or not.

## **9.11 Mode of Indemnification**

9.11.1. In respect of any Indemnification Claim, the payment shall be made through the following methods:

9.11.1.1. In the event the Loss is suffered directly by an Indemnified Party, the Indemnified Parties may require the Indemnifying Party, to make good the Loss that is suffered or incurred by the relevant Indemnified Parties, by remitting the amount of such Loss directly to such Indemnified Party; or

9.11.1.2. In the event the Loss has been suffered or incurred by the Company, the Indemnified Party may require the Indemnifying Party to remit to the Company, the entire Loss suffered or incurred by the Company and in which case, no further Indemnification Claims shall be raised by an Indemnified Party only in relation to such Indemnification Claim.

**9.12.** The Promoters shall not be liable in respect of any Losses unless the amount of Losses arising from the same cause of action exceeds INR 20,00,000 (Indian Rupees Twenty lakhs) ("**Valid Losses**"). Subject to Clause 9.14, the aggregate liability of the Promoters for all Valid Losses arising from breach of the Business Warranties (including Indemnification Events specified under Clauses 9.2(i), 9.2(iii) or 9.2(vi) as applicable) shall be as under: (a) where the Promoters receive an Indemnification Notice after the First Closing and prior to the Second Closing, the Promoters aggregate liability to an Indemnified Party shall not exceed 100% of the aggregate consideration received by the Promoters as on the First

Closing and the fair market valuation of the Remaining Shares (as determined by one of the Big Four Firm appointed jointly by Honasa and the Promoters) then held by the Promoters as prior to the Second Closing; (b) where the Promoters receive an Indemnification Notice after the Second Closing and prior to the closing of the Remaining Shares for Tranche 1, the Promoters aggregate liability to an Indemnified Party shall not exceed 100% of the aggregate consideration received by the Promoters from Honasa for the relevant Sale Shares prior to the closing for Tranche 1 and the fair market value of the Remaining Shares (as determined by one of the Big Four Firm appointed jointly by Honasa and the Promoters) then held by the Promoters as prior to the closing of Tranche 1; (c) where the Promoters receive an Indemnification Notice after the closing of Remaining Shares for Tranche 1 and prior to closing of Remaining Shares for Tranche 2, the Promoters aggregate liability to an Indemnified Party shall not exceed (a) 100% of the aggregate consideration received by the Promoters from Honasa for the relevant Sale Shares and the relevant Remaining Shares for Tranche 1 and (b) the fair market value of the Remaining Shares (as determined by one of the Big Four Firm appointed jointly by Honasa and the Promoters) then held by the Promoters as prior to the closing of Tranche 2; (d) where the Promoters receive an Indemnification Notice after the closing of Remaining Shares for Tranche 2 and prior to closing of Remaining Shares for Tranche 3, the Promoters aggregate liability to an Indemnified Party shall not exceed (a) 100% of the aggregate consideration received by the Promoters from Honasa for the relevant Sale Shares and the relevant Remaining Shares for Tranche 1 and Tranche 2 and (b) the fair market valuation of the Remaining Shares (as determined by one of the Big Four Firm appointed jointly by Honasa and the Promoters) then held by the Promoters as prior to the closing of Tranche 3; and (e) where the Promoters receive an Indemnification Notice after the closing of Remaining Shares for Tranche 3, the Promoters aggregate liability to an Indemnified Party shall not exceed 100% of the aggregate consideration received by the Promoters from Honasa for transfer of the relevant Sale Shares and all the Remaining Shares. It is clarified, that (A) a Promoter's obligation to transfer any of his Remaining Shares to Honasa shall only be for the unpaid amount of Losses incurred by Honasa, and the number of relevant Remaining Shares that will be transferred to make good the unpaid amount of Loss shall be determined as per the fair market value determined by one of the Big Four Firm appointed jointly by Honasa and the Promoters; and (B) it is agreed that such number of the relevant Remaining Shares that are to be transferred to Honasa pursuant to this Clause 9.12 will be transferred at a price of par value INR 10 per the relevant Remaining Shares.

- 9.13.** It is clarified that the monetary limitation as provided in Clause 9.12 shall not apply in relation to Losses arising from (a) Indemnification Event as provided in Clause 9.1(i), Clause 9.2(ii), Clause 9.2(iv), Clause 9.2(v).); Further, there shall also be no monetary thresholds for Losses arising from breach of the representations and warranties under paragraph of 1.2, 1.4, 1.5, 2.4 and 2.10 of **Schedule 5**.
- 9.14.** No personal assets of the Promoters in existence as of the Agreement Date (other than their respective Remaining Shares) will be attached in satisfaction of any Losses incurred by an Indemnified Party except in the case of Losses arising out of Indemnification Event as provided in Clauses 9.1(i), 9.2(ii), 9.2(iv) and 9.2(v). For avoidance of doubt, it is clarified that any kind of asset created by Promoters from the consideration received under this Agreement shall not fall with the purview of personal asset of such Promoter.
- 9.15.** If the relevant Indemnifying Party has paid an amount to the Indemnified Parties and the Indemnified Party thereafter actually recovers from a third party (including pursuant to any applicable insurance policy) a sum which indemnifies or compensates the Indemnified Party (in whole or in part) in respect of the Loss which is the subject matter of the claim, then the Indemnified Party shall pay to such relevant Indemnifying Party as soon as practicable after

receipt of an amount which is the amount previously paid by such Indemnifying Party to the Indemnified Party.

**9.16.** The indemnification obligation of each Seller (other than the Promoters) to an Indemnified Party in relation to a breach by that Seller of its respective Seller Warranties shall be subject to the following:

9.16.1. Each Seller shall be liable to indemnify the Indemnified Party for any Loss exceeding 1% (one percent) of the Sale Consideration received by such Seller;

9.16.2. The aggregate liability of each Seller shall not exceed 100% (one hundred percent) of the Sale Consideration received by the relevant Seller as on the First Closing;

9.16.3. Each Sellers shall not be obligated to indemnify the Indemnified Parties for breach of Seller Warranties in relation to Tax, for a period beyond 7 (seven) year from the First Closing Date; and

9.16.4. India Opportunities Fund as the Indemnifying Party shall only be liable to indemnify Honasa, its Affiliates and directors and not its officers.

Notwithstanding anything stated in Clause 9.16 , the obligation of India Opportunities Fund to indemnify in respect of Losses arising in relation to breach of any of its Seller Warranties including in relation to Tax shall be only until a period of 3 (three) years from the First Closing Date.

For avoidance of doubts, each Seller (other than India Opportunities Fund) shall be liable to indemnify with respect of Losses arising in relation to Seller Warranties (other than the warranties in relation to Tax as covered under Clause 9.16.3) till perpetuity.

**9.17.** The Indemnified Parties shall not be entitled to recover from the Indemnifying Parties more than once in respect of the same Losses suffered with respect to such Indemnifying Party.

**9.18.** The Promoters shall be liable to indemnify the Indemnified Party in respect of any Losses under this Agreement only for the periods specified below:

(a) till perpetuity for Losses in relation to Indemnification Event provided in Clauses 9.1(i) and 9.2 (v) for Losses relating to the Seller Warranties (in relation to each Promoters);

(b) as per the period prescribed for assessment / re-assessment of the Income Tax Act, 1961 (as amended from time to time) in the case of a claim for Losses relating to the breach of Business Warranties set out in Paragraph 4 under Schedule 5 from the First Closing Date, Second Closing Date and/or Third Closing Date, as the case may be;

(c) from First Closing Date, Second Closing Date and/or Third Closing, as the case may be, till third anniversary of the First Closing Date, Second Closing Date and/or Third Closing Date for Losses in relation to breach of any of the Business Warranties; and

(d) with respect to Indemnification Events not specified in Clauses 9.17(a), 9.17(b) and 9.17(c) above, the limitation period as provided under the Applicable Law shall apply.



- 9.19.** The Sellers shall be liable to indemnify the Indemnified Party in respect of any Losses with respect to Indemnification Events specified in Clauses 9.1(ii) till the limitation period as provided under applicable law.
- 9.20.** Notwithstanding anything under this Agreement, the Promoters shall promptly, but in compliance with the provisions of Clause 9.10, indemnify the Indemnified Parties in respect of any Losses suffered by the Indemnified Parties on account of any of the matters listed in **Schedule 8** (*Specific Indemnity Items*).

## **10. GOVERNING LAW, JURISDICTION AND ARBITRATION**

This Agreement is governed by and construed in accordance with applicable laws of India and subject to Clause 10.2 below, the courts at New Delhi, India shall have exclusive jurisdiction in relation to any Dispute.

### **10.1 Negotiation**

If any dispute arises amongst the Parties (“**Disputing Parties**”) in relation to or in connection with this Agreement (including in respect of the validity, interpretation, implementation, or alleged breach of any provision of this Agreement or regarding question(s) as to whether the termination of this Agreement has been legitimate) (a “**Dispute**”), the Disputing Parties shall attempt to resolve such Dispute amicably through discussions amongst senior executives of the Disputing Parties.

### **10.2 Arbitration**

- 10.2.1** In the case of failure by the Disputing Parties to resolve the Dispute in the manner set out in Clause 10.1 above within 30 (thirty) days from the date when the Dispute arose, the Dispute shall be finally settled by arbitration administered by Mumbai Centre for International Arbitration in accordance with the Indian Arbitration and Conciliation Act, 1996. All arbitration proceedings shall be conducted in the English language. The seat and venue of arbitration will be Delhi.
- 10.2.2** Each Disputing Party shall appoint 1 (one) arbitrator each, and the 3<sup>rd</sup> (third) arbitrator shall be appointed by the 2 (two) arbitrators so appointed, provided that, post the First Closing Date, the Company and Honasa shall be treated as one Disputing Party (the “**Arbitration Board**”). The Arbitration Board shall decide any such Dispute or claim strictly in accordance with the governing law specified in this Clause.
- 10.2.3** The arbitral award(s) rendered by the Arbitration Board shall be made in writing and shall be final and binding upon the Disputing Parties and shall set out the reasons for the arbitral tribunal’s decision. Notwithstanding anything to the contrary stated in this Clause 10 and without prejudice to the power of the Arbitration Board to grant interim relief, the Disputing Parties will have the right to seek interim injunctive relief against each other in a court of law within the jurisdiction of the courts of New Delhi, India.
- 10.2.4** Deposits to cover the costs of arbitration shall be borne in accordance with the MCIA rules. It is agreed, that the award rendered by the Arbitration Board shall, in addition

to dealing with the merits of the case, fix the costs of the arbitration and decide which of the Disputing Parties thereto shall bear such costs or in what proportions such costs shall be borne by such Disputing Parties.

**10.2.5** The award rendered by the Arbitration Board shall be final and conclusive on all Parties, and shall be subject to forced execution in any court of competent jurisdiction.

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

**10.2.7** Subject to the award of the Arbitration Board, neither the existence of any Dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Parties of their respective obligations under this Agreement. Subject to any award of the Arbitration Board, the pendency of a Dispute in any arbitration proceeding shall not affect the performance of the obligations under this Agreement.

### **10.3 Language and enforcement**

- (a) The arbitration proceedings shall be conducted in the English language.
- (b) Judgment upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

### **10.4 Interim relief**

Without prejudice to the arbitration agreement contained in Clause 10.2 but subject to the applicable law, the Parties expressly agree that nothing in this Clause 10 shall prevent a Party from applying to a court which would otherwise have jurisdiction for conservatory or interim measures. After the appointment of the arbitral panel/ arbitrator (as the case may be) has been effected and pending its final award, the arbitral panel/ arbitrator (as the case may be) shall also have jurisdiction to hear such applications with respect to the Dispute. The Parties agree that any measures ordered by the arbitral panel/ arbitrator (as the case may be) may be immediately and specifically enforced by a court otherwise having jurisdiction over the Parties.

### **10.5 Award final and binding**

Any award made by the arbitral panel/ arbitrator (as the case may be) shall be final and binding on the Parties. To the extent that such waiver can be validly made, the Parties expressly agree to waive the applicability of any laws and regulations that would otherwise give any right of recourse against the decisions of the arbitral panel/ arbitrator (as the case may be).

### **10.6 Costs**

The costs of the arbitration shall be borne by the Parties in such manner as the arbitral panel/ arbitrator (as the case may be) shall direct in its arbitral award.

## **11. NOTICES**

**11.1** Any notice or other communication that may be given by one Party to the other shall always be in writing and shall be served either by (i) hand delivery duly acknowledged; or (ii) sent by registered post with acknowledgment due; (iii) by facsimile at the respective addresses set out herein below or at such other address as may be subsequently intimated by one Party to the other in writing as set out herein; or (iv) by electronic mail with a delivery receipt confirmation. If the notice is sent by facsimile, the said notice shall also be sent by registered post acknowledgment due.

(a) If to **Honasa**:

Address : 4<sup>th</sup> Floor BLM Tower, Plot No. 63, Sector 44, Gurgaon  
Attention : Varun Alagh  
Email : [varun@mamaearth.in](mailto:varun@mamaearth.in)

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

Address : C/O M/s Just4kids Services Private Limited, 2nd Floor, Plot No. - 56, Sector - 44, Gurgaon - 122002  
Attention : Mr. Vishal Gupta  
Email : [vishal.gupta@momspresso.com](mailto:vishal.gupta@momspresso.com)

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

Address : C/O M/s Just4kids Services Private Limited, 2nd Floor, Plot No. - 56, Sector - 44, Gurgaon - 122002  
Attention : Mr. Vishal Gupta  
Email : [vishal.gupta@momspresso.com](mailto:vishal.gupta@momspresso.com)

(d) If to the **Sellers**, then as per the details as provided in Annexure 1.

**11.2** All notices shall be deemed to have been validly given on (i) the business date immediately after the date of transmission with confirmed answer back, if transmitted by facsimile transmission or email, or (ii) the business date of receipt, if sent by courier, hand delivery or electronic mail with a delivery receipt confirmation; or (iii) the expiry of seven days after posting, if sent by registered post.

**11.3** Any Party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving to the other Party not less than 7 (seven) days prior written notice.

## **12. CONFIDENTIALITY**

**12.1** The Parties recognize that each of them will be given and have access to confidential and proprietary information of the other Parties ("**Confidential Information**"). The Parties undertake not to use any of such Confidential Information for their own corporate purposes without the prior written consent of the other Party(ies) owning such information and shall keep confidential and not to disclose to any Third Party any of the other Party(ies)' confidential and proprietary information relating to the negotiation and contents of this Agreement for a period of 1 (one) year from the Agreement Date. The Parties shall also

cause their respective directors, employees, officers and any other Persons to whom the above mentioned information is disclosed to execute a letter of confidentiality to the effect provided in this Clause 12. The obligations of confidentiality shall not apply to any information that:

- (a) was developed independently by the Parties;
- (b) was known to the Party prior to its disclosure by the disclosing Party;
- (c) has become generally available to the public (other than by virtue of its disclosure by the Party receiving such information);
- (d) may be required in any report, statement or test the Company submitted to any governmental or regulatory body;
- (e) may be required in response to any summons or in connection with any litigation;
- (f) may be required to comply with any law, order, regulation or ruling applicable to any Party hereto;
- (g) to its professional advisers including legal, financial and tax advisers and auditors but only to the extent necessary subject to such advisers accepting an equivalent confidentiality obligation to that set out in this Clause;
- (h) in the case of Honasa, to any of its Affiliates, officers, investment managers, investors, trustees, investment committees, advisory boards, board of directors subject to each such Affiliate being made aware of the confidentiality obligation set out in this Clause; or
- (i) in the case of Sellers (other than the Promoters) that are institutional investors, to any of its Affiliates, officers, investment managers, investors, trustees, investment committees, advisory boards, board of directors and auditors subject to each such persons being made aware of the confidentiality obligation set out in this Clause;
- (j) to the extent the receiving Party received written consent to such disclosure from the relevant Party from whom it received such Confidential Information and from the Party to which that Confidential Information relates.

Provided that prior to any disclosure in respect of a request to disclose Confidential Information above a Party must first notify the Party owning such Confidential Information, who shall then have the opportunity to respond to and/or dispute such request.

- 12.2** The Parties acknowledge and agree that the covenants and obligations with respect to confidentiality set forth in this Clause relate to special, unique and extraordinary matters, and that a violation of any of the terms of such covenants and obligations will cause the Company and the owner of such property irreparable injury for which adequate remedies are not available at law. Therefore, the Parties agree that the Party entitled to enforce the covenants set forth above, shall be entitled to an injunction, restraining order or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the other Party from committing any violation of the covenants and obligations contained in this Clause. These injunctive remedies are cumulative and are in addition to any other rights and remedies the concerned Party may have at law or in equity.

### **13. EFFECTIVE DATE OF THIS AGREEMENT**

**13.1** This Agreement shall come into effect and force and be binding on the Parties from the Agreement Date and shall remain in full force unless terminated in accordance with the provisions of this Agreement.

**13.2** Without prejudice to Clause 13.3, the provisions of this Agreement shall terminate on the happening of any of the following events:

- (a) if First Conditions Precedent are not fulfilled on or before the Long Stop Date; or
- (b) in accordance with Clause 4.2.6 or Clause 4.2.8; or
- (c) if at any time before the First Closing Date, the Warrantors have breached their respective Warranties or any other covenant or agreement contained in this Agreement, and such breach cannot be or is not cured within 15 (fifteen) Business Days after being notified in writing of the same by Honasa; or
- (d) if with respect to any Party, any action has been taken, any order has come into effect, or any applicable law has been enacted, promulgated or issued or deemed applicable to the transactions contemplated by this Agreement in relation to such Party, which would restrain, enjoin or otherwise prohibit or make illegal the consummation of the transactions contemplated to occur on the First Closing in relation to such Party. It is clarified no Party shall be entitled to terminate this Agreement after the First Closing pursuant to this Clause 13.2(c).

**13.3** Without prejudice to 14.10 and 14.15, if this Agreement is validly terminated pursuant to the provisions of Clause 13.2, this Agreement will forthwith become null and void, and, except as set forth below, there will be no liability or obligation on the part of any Party, (except in respect of any rights or obligations of any Party which have accrued prior to termination). Notwithstanding any other provision in this Agreement to the contrary, termination will not limit or extinguish the liabilities of the Parties under this Agreement or applicable law that have accrued prior to the date of termination.

**13.4** The Agreement may also be terminated with mutual consent of the Parties prior to First Closing.

### **14. MISCELLANEOUS PROVISIONS**

#### **14.1 Reservation of Rights**

No forbearance, indulgence or relaxation or inaction by any Party at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision, and any waiver or acquiescence by any Party of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any continuing or succeeding breach of such provisions, a waiver of any right under or arising out of this Agreement or acquiescence to or recognition of rights other than that expressly stipulated in this Agreement.

#### **14.2 Covenants Reasonable**

The Parties agree that, having regard to all the circumstances, the covenants contained herein are reasonable and necessary for the protection of the Parties and their Affiliates. If any such covenant is held to be void and as going beyond what is reasonable in all the circumstances, but would be valid if amended (in writing) as to scope or duration or both, the covenant shall apply with such minimum modifications regarding its scope and duration as may be necessary to make it valid and effective.

#### **14.3 Further Assurances**

Each Party shall, at any time and from time to time upon the written request of the other Parties promptly and duly execute and deliver all such further instruments and documents, and do or procure to be done all such acts or things, as may be reasonably deemed necessary by the other Parties to facilitate the transactions contemplated in this Agreement.

#### **14.4 Cumulative Rights**

All remedies of any Party under this Agreement whether provided herein or conferred by statute, civil law, common law, custom or trade usage, are independent, cumulative and without prejudice to all other rights available to the Parties, and may be enforced successively or concurrently, provided that, the indemnification rights under Clause 9 shall be the sole and exclusive monetary remedies for an Indemnified Party in respect of Losses suffered or incurred by it.

#### **14.5 Partial Invalidity**

If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provision. Provided however, if said provision is fundamental provision of this Agreement or forms part of the consideration or object of this Agreement, the provision of this Clause shall not apply.

#### **14.6 Amendments**

No modification or amendment of this Agreement and no waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing and duly executed by all the Parties.

#### **14.7 Assignment**

This Agreement and the rights, obligations and liabilities hereunder shall bind and inure to the benefit of the respective successors of the Parties hereto, but no Party may freely assign or transfer any of the rights, obligations and liabilities hereunder to any other Person without the prior written consent of the other Parties. Provided however, Honasa shall be entitled to assign, their rights under the Transaction Documents to its Affiliates without any requirement for any prior consent from any of the other Parties, in compliance with the provisions of the Shareholders' Agreement.

#### **14.8 Entire Agreement**

This Agreement constitutes the entire Agreement between the Parties with respect to the transactions as contemplated under Clause 3 and supersedes and cancels any prior oral or written agreement, representation, understanding, arrangement, communication or expression of intent (term sheet dated October 21, 2021) relating to the subject matter of this Agreement. Further, the Promoters, the Seller and the Company confirm and acknowledge to Honasa that all share purchase agreements for acquisition of Securities (including survival clauses and indemnity clause), share subscription agreement for issuance of securities (including survival clauses and indemnity clauses), shareholders agreement (including survival clauses and indemnity clause) and/or any agreement in relation to subscription/acquisition/voting rights/dividend rights of the Company (including survival clauses and indemnity clause) shall stand terminated on and from the First Closing for the relevant Seller.

### **1.1 Relationship**

None of the provisions of this Agreement shall be deemed to constitute a partnership between the Parties hereto and no Party shall have any authority to bind the other Party otherwise than under this Agreement or shall be deemed to be the agent of the other in any way.

### **1.2 Costs**

All costs and expenses in connection with payment of any stamp duty for execution of Transaction Documents and registration duty thereon under applicable law or in connection with the proposed transactions (including issuance and transfer of Securities under this Agreement) to be undertaken on the First Closing Date, the Second Closing or each of the Third Closings shall be borne by the Company. Subject to the above, each Party shall bear its, own taxes, costs and expenses, including, without limitation, expenses and fees of legal counsel, accountants, advisors and all others, incurred at any time in connection with due diligence and negotiation of Transaction Documents, except in case of India Opportunities Fund any fee payable to the legal counsel and its advisors up to INR 2.5 lakhs in aggregate shall be borne by the Company. Additionally, any fees payable to any finder or financial advisor for the Company and the Promoters in connection with the transaction contemplated in this Agreement shall be the sole responsibility of the Company, and in no circumstance Honasa and India Opportunities Fund will have any liability thereof.

### **1.3 No conflict**

The provisions of this Agreement, the other Transaction Documents, Articles of Association shall be interpreted in such a manner so as to give effect to all such documents, provided however, that in the event of an inconsistency between this Agreement, the other Transaction Documents on the one hand and the Articles of Association on the other hand, to the extent permitted by applicable law, provisions of this Agreement shall prevail as between the Parties and shall govern their contractual relationship and the Parties shall cause the necessary amendments to the Articles of Association.

### **1.4 Public announcements**

No Party to this Agreement shall make any disclosure or announcements about the subject matter of this Agreement to any Person without the prior written consent of the other Parties.

### **1.5 Execution in Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

**14.14 Authorization**

The Persons signing this Agreement on behalf of the Parties represent and covenant that they have the authority to so sign and execute this document on behalf of the Parties for whom they are signing.

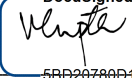
**14.15 Survival**

The provisions of Clause 10 (*Governing Law, Jurisdiction and Arbitration*), Clause 11 (*Notices*), Clause 12 (*Confidentiality*), Clause 14.1 and Clause 14.10 (under the Clause *Miscellaneous*) of this Agreement and all applicable provisions of Clause 1 (*Definitions and Interpretation*) as are required to give full effect to the surviving provisions set out herein, shall survive the termination of this Agreement


*(Signature pages to follow)*



**IN WITNESS WHEREOF** each of the Parties hereto have caused this Share Purchase and Subscription Agreement to be executed as of the day and year first above written.

DocuSigned by:  
  
5BD20780D1C9464...  
**MR. VISHAL GUPTA**

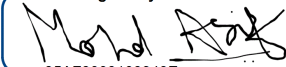
Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

DocuSigned by:  
  
8434735905974CE...

---


**MR. PRASHANT SINHA**

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

DocuSigned by:  
  
35AF8009108349F  
**MR. ASIF MOHAMED**

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

**FOR JUST4KIDS SERVICES PRIVATE LIMITED**

DocuSigned by:  
  
5BD20780D1C9464...

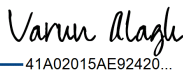
---

Name: Vishal Gupta

Designation: Managing Director

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

**FOR HONASA CONSUMER PRIVATE LIMITED**


DocuSigned by:  
  
41A02015AE92420...

---

Name: Varun Alagh  
Designation: Director

Signature Page of the Share Purchase and Share Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

**For India Opportunities Fund  
(acting thru its Investment Manager – SIDBI Venture Capital Limited)**

DocuSigned by:  
  
C14934BCD774419...

Name: Mahendra Lodha

Designation: vice President & CS , SIDBI Venture Capital Limited, Mumbai

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

**For YourNest Angel Fund Scheme – I**

DocuSigned by:

*Sunil Kumar Goyal*

939BE89917AA4A1  
Name: Sunil Kumar Goyal

Designation: Managing Director

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

DocuSigned by:

*Shantanu Bhanja*

26AD0CEACECB47B...

---

Name: Shantanu Bhanja

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1



DocuSigned by:

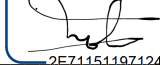
*Deven Laxmichand Dedhia J/t Pallavi Deven Dedhia*

7B7990A22B054B7...

Name: Deven Laxmichand Dedhia J/t Pallavi Deven Dedhia

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

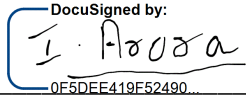
DocuSigned by:



2E71151197124ED...


Name: Neeraj Sharma

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

DocuSigned by:  
  
0F5DEF419F52490...

Name: Inderjit Kaur Arora

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

DocuSigned by:  
  
11EBC0CB0FD9424...

---

Name: Alok Ohrie

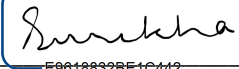
Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

DocuSigned by:  
*Vaibhav Chaturvedi*  
76AC953DF935429...

---

Name: Vaibhav Chaturvedi

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

DocuSigned by:  
  
E9618832BE1C442...  
Name: Surekha Nagpal

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

DocuSigned by:  
*Fabrice Cavallin*  
CB69620FEF8141A...

---

Name: Fabrice Cavallin

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1

**FOR AND ON BEHALF OF ESOP SELLERS**

DocuSigned by:



5BD20780D1C9464...

*Vishal Gupta as duly appointed attorney holder of the ESOP Sellers*

Signature Page of the Share Purchase and Subscription Agreement by and amongst Mr. Vishal Gupta, Mr. Prashant Sinha Mr. Asif Mohamed, Just 4 Kids Services Private Limited, Honasa Consumer Private Limited and Persons Specified in Annexure 1



**ANNEXURE 1****LIST OF SELLERS**

<b>List of Sellers</b>	<b>Address</b>	<b>Email</b>	<b>Residency Status</b>
<b>Shareholders</b>			
YourNest Angel Fund Scheme-I	Corporate Office - YourNest Venture Capital, 416, 4th Floor, MGF Metropolis (Lifestyle Mall), Near MG Road Metro Station, Gurgaon - 122002.  Registered - 805, Kailash Building, 26, Kasturba Gandhi Marg, Connaught Place, New Delhi - 110001	<a href="mailto:sunil.goyal@ournest.in">sunil.goyal@ournest.in</a>	Resident
India Opportunities Fund – Refer Note 1	SIDBI, Swavalamban Bhavan, C-11, G Block, 2nd Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	<a href="mailto:mahendra@sidbiventure.co.in">mahendra@sidbiventure.co.in</a>	Resident
Shantanu Bhanja	1502B, Beverly Park – 2, Near MG Road Metro Station, Gurgaon, Haryana 122009	<a href="mailto:sbhanja@gmail.com">sbhanja@gmail.com</a>	Resident
Deven Laxmichand Dedhia J/t Pallavi Deven Dedhia	Ali Abdulrahman Ahmed Al Rais Villa 317-35a St, Al MankhoolPobox 32880, Dubai	<a href="mailto:dedhia@eim.ae">dedhia@eim.ae</a>	Non-Resident
Neeraj Sharma	1401, Tower 2, Vipul Belmonte Golf Course Road, Gurgaon-122011	<a href="mailto:neerajsharma1@gmail.com">neerajsharma1@gmail.com</a>	Resident
Inderjit Kaur Arora	403/404, Richoux Society, JN of ST Joseph Road, Kanwadi Road, Bandra (West), Mumbai-400050	<a href="mailto:nikiarora2003@gmail.com">nikiarora2003@gmail.com</a>	Resident
Alok Ohrie	301, Blueberry Apartments, 13th Main, 8th Cross, HAL 2nd Stage, Bangalore - 560008	<a href="mailto:aohrie@hotmail.com">aohrie@hotmail.com</a>	Resident
Vaibhav Chaturvedi	3/118 Baan Rajprasong, Soi Mahardlekluang 3 Rajdamri Road, Lumpini. Pathumwan, Bangkok 10330, Thailand	<a href="mailto:vaibhav25.c@gmail.com">vaibhav25.c@gmail.com</a>	Non-Resident
Surekha Nagpal	C-70, Bathla Appartments 43, I P Extension, Laxmi Nagar (East Delhi), Gandhi Nagar (East Delhi) Delhi – 110092	<a href="mailto:surekhanagpal2@gmail.com">surekhanagpal2@gmail.com</a>	Resident
Fabrice Cavallin	Bedastrasse 48, 9200 Gossau, Switzerland	<a href="mailto:fabrice_cavallin@yahoo.com">fabrice_cavallin@yahoo.com</a>	Non-Resident
<b>ESOP Sellers</b>			
Sunil Pandey*	Flat No. 1004, 10th Floor, Tower 8, Suhant Estate, Sector-52, Gurgaon-122002 (HR)	<a href="mailto:sunil.mc4k@gmail.com">sunil.mc4k@gmail.com</a>	Resident
Akshat Singh*	H. No. -17, Second Floor, A-1 Block, South City-2, Opposite Sispal Vihar, Gurgaon-122001 (HR)	<a href="mailto:akshat.singh2020@gmail.com">akshat.singh2020@gmail.com</a>	Resident
Senthil Raj*	8/2, 4th D Cross, Maruti Nagar, Madiwala, Bangalore-560068 (Karnataka)	<a href="mailto:senrajmca@gmail.com">senrajmca@gmail.com</a>	Resident
Parul Ohri*	710A, The Magnolias, DLF 5, Gurgaon-122009 (HR)	<a href="mailto:parul_ohri@yahoo.com">parul_ohri@yahoo.com</a>	Resident

List of Sellers	Address	Email	Residency Status
Gajender Gupta*	3610/5, Narang Colony, Tri Nagar, Delhi-110035	<a href="mailto:gajendrayash@gmail.com">gajendrayash@gmail.com</a>	Resident
Shavet Jain*	Villa 10, Prestige Summerfields, Bhoganhalli, Bangalore -560103 (Karnataka)	<a href="mailto:shavetg@yahoo.com">shavetg@yahoo.com</a>	Resident
Pushpender Chauhan*	67, Katju Nagar, Ratlam junction, 457001 (M.P.)	<a href="mailto:chauhanoverflow@gmail.com">chauhanoverflow@gmail.com</a>	Resident
Vinay Kumar Dahiya*	C 93, Gali No. 14, Gopal Nagar, Najafgarh, Delhi-110043	<a href="mailto:vinay.not.nice@gmail.com">vinay.not.nice@gmail.com</a>	Resident
Richa Jain*	T6/1704, Urbana Towers, Anandpur, Behind Ruby Hosptal, Kolkata-700107 (W.B.)	<a href="mailto:onlyrich@gmail.com">onlyrich@gmail.com</a>	Resident
Shimona Shahi*	House No. 157, Sector 37, Noida-201303 (U.P.)	<a href="mailto:sshahi1@gmail.com">sshahi1@gmail.com</a>	Resident
Hansveen Kaur*	31/2, Ixia Street, Vatika City, Sohna Road, Sector-49, Gurgaon-122018 (HR)	<a href="mailto:hansveen.kaur@gmail.com">hansveen.kaur@gmail.com</a>	Resident
Lalita Goyal*	CU 15, Pitam Pura, Vishakha Enclave, Delhi-110088	<a href="mailto:lalitagoyal.73@gmail.com">lalitagoyal.73@gmail.com</a>	Resident
Sumit Solanki*	C/o. Ganesh Solanki, Street No. 1, Near Nehru Nagar Stadium, In front of SSGB School, HARDA-461331 (M.P.)	<a href="mailto:sumitdesign24@gmail.com">sumitdesign24@gmail.com</a>	Resident
Neha Gahlaut*	L-031, DLF Park Place, DLF Phase-5, Golf Course Road, Gurgaon-122003 (HR)	<a href="mailto:neha.gahlaut@gmail.com">neha.gahlaut@gmail.com</a>	Resident
Anirudh Agrawal*	Tower 6, 1804, Tata Primanti, Southern Peripheral Road, Sector 72, Gurgaon-122101 (HR)	<a href="mailto:anirudh88a@gmail.com">anirudh88a@gmail.com</a>	Resident
Soumya Sarkar*	C5-705, SRS Residency, Sector-88, Faridabad-121002 (HR)	<a href="mailto:soumya4820@gmail.com">soumya4820@gmail.com</a>	Resident
Sachin Dingankar*	B-84, 2nd Floor, Suncity, Sector-54, Gurgaon-122001 (HR)	<a href="mailto:sdingankar@yahoo.com">sdingankar@yahoo.com</a>	Resident

\*The Equity Shares of the Sellers that are specified under the heading ESOP Sellers shall be transferred by any of the Promoter who has been authorized by way of a power of attorney executed in favour of the Promoters authorizing any of the Promoters to transfer on their behalf.

**Note 1:**

1. The Seller of relevant Sale Shares is India Opportunities Fund, a SEBI registered venture capital fund, a scheme of SIDBI SME Venture Fund, constituted as a trust created under the provisions of Indian Trust Act, 1882 by an indenture of trust dated June 23, 2004.
2. SIDBI SME Venture Fund has appointed SIDBI Trustee Company Limited as the trustee for India Opportunities Fund under the indenture of trust.
3. SIDBI Trustee Company Limited, in terms of an investment management agreement dated September 25, 2010 has appointed SIDBI Venture Capital Limited as the investment manager of the India Opportunities Fund.
4. While the seller is India Opportunities Fund, the Sale Shares are held in the name of "SIDBI Trustee Company Limited A/C India Opportunities Fund".

**ANNEXURE 2**  
**SALE SHARES AND SALE CONSIDERATION OF EACH SELLER**

	Type of Securities	No. of Securities transferred	Gross Consideration
<b>Founder Group</b>			<b>INR</b>
Vishal Gupta (Founder Director)	Equity Share	3,076	45,961,454
Prashant Sinha (Founder Director)	Equity Share	3,075	45,946,512
Asif Mohamed (Founder Director)	Equity Share	2,004	29,943,678
<b>Total</b>		<b>8,155</b>	<b>121,851,644</b>
<b>Investor Group</b>			
YourNest Angel Fund Scheme – I	Equity Share and preference shares	27,870 (i.e., 10,032 Equity Shares and 17,838 preference shares)	471,740,394
India Opportunities Fund – Refer Note 1 of Annexure I	Equity Share	8,839	190,269,008
Shantanu Bhanja	Equity Share	547	9,258,773
Deven Laxmi Chand Dedhia Jt/ Pallavi Deven Dedhia	Equity Share	6,333	107,195,261
Neeraj Sharma	Equity Share	383	6,482,834
Inderjit Kaur Arora	Equity Share	274	4,637,850
Alok Ohrie	Equity Share	273	4,620,923
Vaibhav Chaturvedi	Equity Share	361	6,110,451
Surekha Nagpal	Equity Share	408	6,905,995
Fabrice Cavallin	Equity Share	545	9,224,920
<b>Total</b>		<b>45,833</b>	
<b>ESOPs</b>			
ESOPs		646	10,934,493
<b>Total</b>		<b>54,634</b>	<b>949,232,545</b>

**ANNEXURE 3  
REMAINING SHARES**

	Shares transferred	Shares transferred	Shares transferred
<b>Founder Group</b>	Tranche 1	Tranche 2	Tranche 3
Vishal Gupta (Founder Director)	2,642	2,641	2,641
Prashant Sinha (Founder Director)	2,642	2,642	2,641
Asif Mohamed (Founder Director)	1,998	1,999	1,999
<b>Total</b>	7,282	7,282	7,281
<b>ESOPs</b>			
ESOPs	215	215	216
<b>Purchaser</b>			
Honasa Consumer Private Limited	7,497	7,497	7,497
<b>Total</b>			

**SCHEDULE 1  
SHAREHOLDING PATTERN**

**Part 1: Shareholding Pattern of the Company on Agreement Date on Fully Diluted Basis**

Name of Shareholder	Number of Equity Shares	Shareholding Percentage on a Fully Diluted Basis
Vishal Gupta	11,000	14.26%
Prashant Sinha	11,000	14.26%
Asif Mohamed	8,000	10.37%
YourNest Angel Fund Scheme - I	27,870	36.14%
India Opportunities Fund Managed By SVCL	8,839	11.46%
Shantanu Bhanja	547	0.71%
Deven Laxmi Chand Dedhia Jt/ Pallavi Deven Dedhia	6,333	8.21%
Neeraj Sharma	383	0.50%
Inderjit Kaur Arora	274	0.36%
Alok Ohrie	273	0.35%
Vaibhav Chaturvedi	361	0.47%
Surekha Nagpal	408	0.53%
Fabrice Cavallin	545	0.71%
ESOP Pool	1,292	1.68%
<b>Total</b>	<b>77,125</b>	<b>100.00%</b>

**Part 2: Shareholding Pattern of the Company on a Fully Diluted Basis on the First Closing**

<b>Name of Shareholder</b>	<b>Number of Equity Shares</b>	<b>Shareholding Percentage on a Fully Diluted Basis</b>
Vishal Gupta	7,924	9.13%
Prashant Sinha	7,925	9.13%
Asif Mohamed	5,996	6.91%
ESOPs	646	0.74%
Honasa Consumer Private Limited	64,275	74.08%
<b>Total</b>	<b>86,766</b>	<b>100%</b>

**Part 3: Shareholding Pattern of the Company on a Fully Diluted Basis on the Second Closing**

<b>Name of Shareholder</b>	<b>Number of Equity Shares</b>	<b>Shareholding Percentage on a Fully Diluted Basis</b>
Vishal Gupta	7,924	8.22%
Prashant Sinha	7,925	8.22%
Asif Mohamed	5,996	6.22%
ESOPs	646	0.67%
Honasa Consumer Private Limited	73,916	76.67%
<b>Total</b>	<b>96,407</b>	<b>100%</b>

**Part 4: Shareholding Pattern of the Company on a Fully Diluted Basis on the Third Closing**

<b>Name of Shareholder</b>	<b>Number of Equity Shares</b>	<b>Shareholding Percentage on a Fully Diluted Basis</b>
Honasa Consumer Private Limited	96,407	100%
<b>Total</b>	<b>96,407</b>	<b>100%</b>



**SCHEDULE 2**

**CP Completion Notice**

To,

[●]

**Attention:** [●]

**Re: Completion of the [First/Second/Third] Conditions Precedent to [First/Second/Third] Closing.**

Dear Sir,

We refer to the Share Purchase and Share Subscription Agreement dated [●] (“**Agreement**”) executed between the Promoters, the Sellers, Honasa and the Company.

All capitalised terms used but not defined in this letter shall have the meaning ascribed to such terms in the Agreement.

We hereby confirm and declare that as of the date hereof, [the Company, the Sellers and/or the Promoters, as the case may be] have complied with the terms of **Clause 4** and that the First Conditions Precedent to First Closing set out in **Clause 4** read with **Schedule 3** have been satisfied.

Please find enclosed as **Enclosure 1**, documents evidencing satisfaction of conditions mentioned above.

Yours sincerely,

For and on behalf of [the Company, the Sellers and/or the Promoters, as the case may be]

\_\_\_\_\_

**[Insert Name and Designation]**

**[signature block to be added for each individual Seller/Promoter/Company]**

### SCHEDULE 3

#### CONDITIONS PRECEDENT

The capitalized words used in this list have been defined below unless defined elsewhere in the Agreement. . The capitalized words defined below shall have the same meaning if used elsewhere in the Agreement.

- A. **Closing Tax Documents** means collectively, with respect to (A) Resident Seller (i) the No Objection Certificate, (ii) Information and documents contained in Form 10F including their Permanent Account Number (PAN) (which is valid and subsisting as on the First Closing Date) (iii) Tax Residence Certificate (iv) the Tax Gain Computation Report along with Form 15CB and (v) information required to file Form 15CA , and in case of (B) Non – Resident (i) the No Objection Certificate, (ii) Tax Residence Certificate, and (iii) Permanent Account Number (PAN) (which is valid and subsisting as on the First Closing Date).
- B. **CGST Act** means the Central Goods and Services Tax Act, 2017.
- C. **IT Act** means the (Indian) Income-tax Act, 1961 as amended, re-enacted, or replaced from time to time together with all applicable rules, regulations, circulars, notifications and directions issued thereunder.
- D. **No Objection Certificate** means a certificate of no objection under section 281 of the IT Act and section 81 of the CGST Act from the Chartered Accountant respectively with respect to each Seller with reference to the transfer of such Seller’s Sale Shares and/or Remaining Shares along with a copy of the screenshot of the Tax Authority’s website taken no earlier than one (1) Business Day prior to the relevant Closing Date, reflecting that there are no outstanding Tax demands and ongoing or pending Tax proceedings against such Seller under Tax laws.
- E. **Tax Authority** means any Governmental Authority of India responsible for collecting Tax and also includes without limitation, any court, tribunal or other authority that is competent to impose or require the imposition of Tax in the Republic of India.
- F. **Tax Fair Valuation Report 1** means a valuation certificate certifying the fair market value of shares, in accordance with the provisions of Rule 11UA of the Income Tax Rules, 1962 read with Section 50CA and Section 56(2)(x) of the IT Act, by a merchant banker registered with the Securities Exchange Board of India or a Chartered Accountant who is permitted to issue such valuation certificate under the IT Act, in a form and manner acceptable to Honasa and India Opportunities Fund.
- G. **Tax Fair Valuation Report 2** means a valuation certificate certifying the fair market value of the Subscription Shares, in accordance with the provisions of Rule 11UA of the Income Tax Rules, 1962 read with Section 56(2)(viib) and Section 56(2)(x) of the IT Act, by a merchant banker registered with the Securities Exchange Board of India who is permitted to issue such valuation certificate under the IT Act, in a form and manner acceptable to Honasa.
- H. **Tax Gain Computation Report** means a report to be provided by the Non-Resident Seller from an accounting firm of repute on reliance basis in agreed form, setting out the computation of Taxes arising on account of the sale of the Sale Shares by Non-

Resident Seller (which basis of computation shall be to the satisfaction of Honasa), along with the accompanying notes and copies of underlying documents and undertakings thereto.

- I. **Tax Residence Certificate** means a Chartered Accountant certificate confirming the tax residential status with the underlying documents (e.g., a copy of the passport exit/entry stamps, in case of an individual, and copy of the Tax Returns filed with the jurisdictional tax authorities/assessment order/processing carried out by such Tax Authorities).
- J. **Tax Returns** means any return, report, declaration, form, claim for refund or information return or statement relating to Taxes filed with Tax Authority, including any schedule or attachment thereto, and including any amendment thereof.

#### **PART A**

- 1. A power of attorney by Prashant and Asif in favor of Vishal, in an agreed form, to be duly executed and stamped and the certified true copy of the same shall be provided to Honasa.
- 2. The Company shall have obtained all relevant corporate approvals, in form and substance satisfactory to Honasa, necessary for consummation of the transactions contemplated hereby, including without limitation for the issuance of the Initial Subscription Shares at the First Closing, passing of necessary resolutions on the First Closing Date in connection with the transaction contained herein. Further, the Company shall have delivered an extract of the relevant authorisations (including appropriate resolutions of the Board authorizing the execution of the Transaction Documents by the Company), certified by any of the Directors, to Honasa.
- 3. The Company shall have issued a private placement offer letter to Honasa in Form PAS-4 as prescribed under the Companies Act to subscribe to Initial Subscription Shares, on a private placement basis, together with the application forms specifically addressed to Honasa.
- 4. The Board shall have convened a meeting to pass appropriate resolutions:
  - a. to accord in-principle approval for issuance of Initial Subscription Shares on the First Closing Date; and
  - b. to accord approval for, and to convene a general meeting to obtain the approval of the Shareholders for the issuance of Initial Subscription Shares on the First Closing Date (including but not limited to approval of (A) the private placement offer cum application letter in Form PAS-4 (as provided for under the Companies Act) for the private placement of the Initial Subscription Shares in accordance with Section 42 of the Companies Act, which shall be duly accompanied by an application form serially numbered and addressed specifically to Honasa; and (B) the record of the private placement offer required to be maintained by the Company in Form PAS-5 (in accordance with the Companies Act), and shall have delivered to Honasa a certified true copy of the aforementioned resolutions along with all requisite supporting documents, with the processes prescribed under the Companies Act.

5. The Promoters shall have caused, and the Company shall have convened a general meeting, and the Shareholders shall have passed a special resolution, approving the issuance of the Initial Subscription Shares on the First Closing Date, and shall have delivered to Honasa a certified true copy of the aforementioned resolutions.
6. The amendments (which shall be effective with effect from the First Closing Date) to the existing Charter Documents to conform to the Transaction Documents being in an agreed form.
7. The Promoters shall procure that each Seller (except Mr. Fabrice Cavallin) holding shares in demat form shall provide in the custody of the Company the duly executed irrevocable delivery instruction slips to transfer the relevant Sale Shares from the Seller demat account to Honasa demat account (with the signatures of the authorized signatories of the Seller duly confirmed by their depository participant) and provide a copy of the same to Honasa.
8. The Promoters shall procure that Mr. Fabrice Cavallin shall deliver to the Company duly executed and stamped share transfer Form SH-4 in relation to the relevant Sale Shares along with the original share certificate evidencing the title to the relevant Sale Shares and provide a copy of such Form SH-4 and the share certificate to Honasa.
9. The Company shall procure gratuity insurance policy from a reputed insurer for the amount of accrued gratuity liability as calculated based on the actuarial valuation report.
10. The Company shall file an application for obtaining a registration certificate for the registered office in Delhi as required under the Delhi Shops and Establishment Act, 1954 and provide documentary evidence of the same to Honasa.
11. The Company shall execute an agreement with the employees, editors and consultants in relation to assignment of intellectual property rights and maintaining confidentiality of data, in agreed form and shall provide the copy of such agreement to Honasa including
12. The Company shall obtain prior written consent of Caspian Impact Investments Private Limited for making any change in control, operating structure, role and designation of key persons and the promoters of the Company in order to undertake the transaction as contemplated under this Agreement.
13. The Promoters shall cause the Company to procure a certificate from Company Secretary, in agreed form; confirming that the filing for FC-GPR in relation to shares allotted to Mr. Deven Laxmichann Dedhia J/t Ms. Pallavi Deven Dedhia on May 05, 2017, September 15, 2017, March 31, 2018, May 04, 2018, and August 03, 2018, has been completed and approved from the Reserve Bank of India.
14. The Promoters shall confirm that the Business Warranties are true, accurate and complete and this it is not aware of any matter of thing which is in breach of or inconsistent with any of the Business Warranties, as the case may be.
15. The Company should file delay application with the relevant authority in relation to payment of stamp duty with respect to 545 equity shares bearing distinctive no. from 57,451

to 57,995 allotted to Mr. Fabrice Cavallin on May 05, 2019.

16. Each of the Seller of Sale Shares shall have provided and delivered to Honasa the draft of the respective Closing Tax Documents, which is acceptable by Honasa.
17. In relation to the non-resident Sellers, the Company shall have appointed a valuer who shall be a merchant banker registered with the Securities Exchange Board of India or a Chartered Accountant, permitted to issue a valuation report under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and shall have obtained from such valuer a valuation report, determining the fair market value of Sale Shares, in a form and manner acceptable to Honasa and shall deliver a copy of the same to Honasa.
18. The Company shall have appointed a valuer who shall be a registered valuer, permitted to issue a valuation report under the Companies Act, 2013 and shall have obtained from such valuer a valuation report, determining the fair market value of Initial Subscription Shares, in a form and manner acceptable to Honasa, and shall deliver a copy of the same to the Company and Honasa.
19. The Company shall have provided draft Tax Fair Valuation Report 1, determining the fair market value of Sale Shares to Honasa and India Opportunities Fund.
20. The Company shall have provided Tax Fair Valuation Report 2 determining the fair market value of Initial Subscription Shares.
21. The Promoters shall cause the Company to amend its engagement letter dated April 16, 2021 with Four-S Services Private Limited, in a form and manner acceptable to Honasa.

**Part B**

- 1) The Company shall have provided Tax Fair Valuation Report 2, determining the fair market value of Final Subscription Shares to Honasa.
- 2) The Company shall have appointed a valuer who shall be a registered valuer, permitted to issue a valuation report under the Companies Act, 2013 and shall have obtained from such valuer a valuation report, determining the fair market value of Final Subscription Shares, in a form and manner acceptable to Honasa, and shall deliver a copy of the same to the Company and Honasa.
- 3) The Company shall have issued a private placement offer letter to Honasa in Form PAS-4 as prescribed under the Act to subscribe to Final Subscription Shares, on a private placement basis, together with the application forms specifically addressed to Honasa;
- 4) The Board shall have convened a meeting to pass appropriate resolutions:
  - a. to accord in-principle approval for issuance of Final Subscription Shares on the Second Closing Date; and
  - b. to accord approval for, and to convene a general meeting to obtain the approval of the Shareholders for the issuance of Final Subscription Shares on the Second Closing Date (including but not limited to approval of (A) the private placement

offer cum application letter in Form PAS-4 (as provided for under the Act) for the private placement of the Final Subscription Shares in accordance with Section 42 of the Act, which shall be duly accompanied by an application form serially numbered and addressed specifically to Honasa; and (B) the record of the private placement offer required to be maintained by the Company in Form PAS-5 (in accordance with the Act), and shall have delivered to Honasa a certified true copy of the aforementioned resolutions along with all requisite supporting documents, with the processes prescribed under the Act;

- 5) The Promoters shall have caused and the Company shall have convened a general meeting, and the Shareholders shall have passed a special resolution, approving the issuance of the Final Subscription Shares on the Second Closing Date, and shall have delivered to Honasa a certified true copy of the aforementioned resolutions;

### **Part C**

- 1) Each of the seller of Remaining Shares shall have provided and delivered to Honasa the draft of the Closing Tax Documents, which is acceptable by Honasa.
- 2) The Company shall have provided draft Tax Fair Valuation Report 1 determining the fair market value of Remaining Shares to Honasa.
- 3) Each Promoter shall provide in the custody of the Company the duly executed irrevocable delivery instruction slips to transfer the relevant Remaining Shares from the Promoter demat account to Honasa demat account (with the signatures of the authorized signatories of such Promoter duly confirmed by their depository participant) and provide a copy of the same to Honasa.

**SCHEDULE 4  
SELLER WARRANTIES**

**Part A**

**1. Authority; Capacity; No Conflict:**

Each Seller:

- (i) It is duly organized and validly and legally existing under the law of the jurisdiction it is incorporated only if the Seller is not a natural person. If the Seller is a natural person, they have the full legal right, capacity and authority to enter into this Agreement.
- (ii) It has the authority to execute and deliver the terms and provisions of this Agreement and has taken all necessary action or otherwise, as applicable to it to authorize the execution and delivery by it of this Agreement and the transactions contemplated hereby.
- (iii) This Agreement constitutes a valid and binding obligation on him and is enforceable against it in accordance with its terms.
- (iv) The execution, delivery and performance by it of this Agreement will not constitute an act of bankruptcy, preference or fraudulent conveyance under any bankruptcy statute or other Applicable Law for the protection of debtors or creditors of such Seller. All documents and certifications executed by such Seller under or pursuant to the terms of this Agreement in writing, are true, correct, and not misleading.
- (v) The execution, delivery and performance of this Agreement by such Seller will not:  
(a) violate any provision of its Charter Documents; (b) violate any court order, judgment, injunction, award, decree or writ against, or binding upon it; or (c) violate or conflict with any Applicable Laws as applicable to such Seller.
- (vi) The Seller is not insolvent within the meaning of Applicable Law or unable to pay its debts under the insolvency laws of any applicable jurisdiction and has not stopped paying its debts as they fall due. No order has been made and no resolution has been passed for the winding up of the Seller. The Seller has not received notice of any petition seeking winding up of the Seller. The Seller has not received notice of any administrator or any receiver or manager being appointed by any person in respect of the Seller or any of its assets and no steps have been taken to initiate any such appointment and no such voluntary arrangement has been proposed.
- (vii) There are no outstanding commitments, liabilities or obligations, contractual or otherwise, which would in any respect conflict with or impede the ability and right of such Seller to enter into this Agreement or fulfil any and all of its obligations hereunder, or to perform the transaction contemplated herein. Has obtained all relevant consents, orders, authorizations, registrations and Approvals required by

it in connection with the execution, delivery and performance of this Agreement by it and the consummation of the transactions contemplated hereby, and to the extent necessary, they are in full force and affect.

## **2. Sale Shares**

- (i) The ownership of the relevant Sale Shares by such Seller is in compliance with Applicable Law.
- (ii) The Seller is the sole legal and beneficial owner of the relevant Sale Shares, and has the right to sell and transfer the full legal and beneficial ownership in such Sale Shares free from any Encumbrances (save and except as specified in the Transaction Documents and the Articles of Association) and together with all rights and benefits attaching to them. The Seller has not received any written notice of a threat or any claim against such Sale Shares. The Sale Consideration to be received by relevant Seller will be received by such Seller in its own account.
- (iii) Honasa will acquire a valid and marketable title to such relevant Sale Shares and such Sale Shares when delivered by the Seller to the Honasa pursuant to this Agreement will be duly authorized, validly issued, fully paid-up and will be free and clear of all Encumbrances (save and except as specified in the Transaction Documents and the Articles of Association) and third party rights and interests.
- (iv) To the knowledge of the Sellers, the relevant Sale Shares held by the respective Sellers are fully paid-up and were validly issued to him/ it by the Company, and have been held, in each case, in compliance with the Applicable Laws.
- (v) None of the rights to the Sale Shares have been exercised by any Person other than the respective Seller or its authorised representative.
- (vi) All Sale Shares were acquired by the relevant Seller as a subscription to new securities of the Company and not by way of a purchase from any existing Shareholder.

## **3. General:**

- (i) There are no Contracts, options, warrants, calls or other rights relating to the sale or purchase of the relevant Sale Shares held by the Seller that it has entered which entitle or may entitle any Person to create or require to be created any right or Encumbrance (save and except as specified in the Transaction Documents and the Articles of Association) over the relevant portion of its Sale Shares; and (ii) there are no voting trusts or other arrangements or understandings with respect to the voting of the Sale Shares that it has entered into.
- (ii) There are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims (including claim for indemnity), actions or investigations of any nature whatsoever by any Governmental Authority, pending against the Seller which relates in any manner to this Agreement or which could impact its ability to perform this Agreement or to which any of the relevant Sale



Shares are subject or which relate to or are connected with any inquiries or violations under the anti-money laundering laws or anti-corruption regulations, and to the best of the Seller's knowledge, no such notice has been served upon or delivered to the Promoter with respect to any such proceeding, claim, action or investigation by any Governmental Authority against the Seller which relate in any manner to this Agreement or which could adversely impact its ability to perform this Agreement.

- (iii) To the best of the Seller's knowledge, there is no relevant fact or circumstance relating to the Seller or the relevant Sale Shares held by the Seller that has not been disclosed to the Honasa and that if disclosed might reasonably have been expected to influence the decision of the Honasa to purchase the Sale Shares from the Seller or reasonably be likely to have an adverse effect on the Sale Consideration payable to the Seller.
- (iv) The Seller is in compliance with the regulations applicable in India against corruption and in compliance with the anti-corruption provisions of the Foreign Corrupt Practice Act (FCPA) of the United States of America if applicable to them (collectively referred to as the "**Anticorruption Regulations**"). The Seller has not breached any Applicable Law (including Applicable Law in relation to Tax, exchange control or anti-money laundering statutes and the rules and regulations thereunder) in connection with the consummation of the transactions contemplated under this Agreement.
- (v) The funds used by the Seller to acquire the Sale Shares held by such Seller were not derived from any illicit source or activity.
- (vi) No part of the Sale Consideration received by the Seller under this Agreement will be used for purposes that contravene the Anticorruption Regulations.
- (vii) The Seller is selling its portion of the Sale Shares of its own free will. Neither Honasa nor the Company nor any of their respective agents has made any representation about the advisability of this decision or the existing or potential future value of the Sale Shares, nor has any of them provided any advice to the Seller regarding the value ascribed to the Sale Shares. The Seller has the capacity to protect its own interests in connection with the transactions contemplated by this Agreement, in relation to the relevant Sale Shares, by reason of the relevant Seller's business or financial experience or the business or financial experience of the relevant Seller's professional advisors, and who are not compensated by the Company or Honasa. The relevant Seller hereby acknowledges that any future sale of share capital of the Company by the Company or other Persons could be at a premium or a discount to the value ascribed to the Sale Shares under this Agreement, and such sale could occur at any time or not at all. The relevant Seller acknowledges that (i) each Honasa and its agents currently may have, and later may come into possession of, information with respect to the Company that is not known to such relevant Promoter and that may be material to a decision to sell its portion of the Remaining Shares ("**Seller Excluded Information**") and (ii) such

relevant Seller has determined to sell its portion of the Sale Shares notwithstanding its lack of knowledge of the Seller Excluded Information.

## **Part B**

### **4. Tax Warranties (for resident Sellers)**

- (i) The Seller is and will remain a person resident in India for Tax purposes for the entire Financial Year in which completion takes place under the IT Act and is subject to Tax in India.
- (ii) The Seller hereby agrees, undertakes and acknowledges that (a) any and all Taxes under Applicable Law in relation to the sale of the relevant Sale Shares including capital gains tax on the sale of the relevant Sale Shares shall be solely paid and borne by and be to his account.
- (iii) If any proceedings have been initiated by the relevant Governmental Authority under the IT Act and/or the CGST Act consequent to which the sale and Transfer of relevant Sale Shares from the Seller to Honasa as contemplated in this Agreement may be deemed to be void under the IT Act and/or the CGST Act then the Seller shall within reasonable time but no later than the timeline as prescribed in the relevant notice shall take any and all necessary actions to pay any Tax claim or other sum claimed against the Seller to ensure that the sale and Transfer of the Sales Shares as provided under this Agreement is not declared void under such section 281 of the IT Act and/or the CGST Act. For avoidance of doubt, it is clarified that the purpose of this paragraph (iii) of Part B of Schedule 4 (Sellers Warranties), is that the Seller will always ensure that the sale and Transfer of the Sale Shares as contemplated in this Agreement is not declared void under such section 281 of the IT Act and/or the CGST Act. Further, the Seller represents and warrants to Honasa that he is capable of meeting all his Tax claims and liabilities arising from any Tax proceedings pending against him under the IT Act and/or the CGST Act as on the First Closing Date so as to ensure that the sale and Transfer of relevant Sale Shares as contemplated in this Agreement is not declared void under such section 281 of the IT Act and/or the CGST Act.

### **5. Tax Warranties (for non-resident Seller)**

- (i) The Seller is and will remain a person non-resident in India for Tax purposes for the entire Financial Year in which Closing takes place under the IT Act and is subject to Tax in India.
- (ii) The Seller hereby agrees, undertakes and acknowledges that any and all Taxes under Applicable Law in relation to the sale of the relevant Sale Shares including capital gains tax on the sale of the relevant Sale Shares shall be solely paid and borne by and be to his account (copy of any such Tax payments by the Seller shall be delivered to Purchaser upon Purchaser's request).

- (iii) If any proceedings have been initiated by the relevant Governmental Authority under the IT Act and/or the CGST Act consequent to which the sale and transfer of relevant Sale Shares from the Seller to Honasa as contemplated in this Agreement may be deemed to be void under the IT Act and/or the CGST Act then the Seller shall immediately take any and all necessary actions to pay any Tax claim or other sum claimed against the Seller to ensure that the sale and transfer of the Sales Shares as provided under this Agreement is not declared void under such section 281 of the IT Act and/or the CGST Act. For avoidance of doubt, it is clarified that the purpose of this paragraph (iv) of Part C of Schedule 6 (*Sellers Warranties*), is that the Seller will always ensure that the sale and transfer of the Sale Shares as contemplated in this Agreement is not declared void under such section 281 of the IT Act and/or the CGST Act. Further, the Seller represents and warrants to Honasa that he is capable of meeting all his Tax claims and liabilities arising from any Tax proceedings pending against him under the IT Act and/or the CGST Act as on the First Closing Date so as to ensure that the sale and transfer of relevant Sale Shares as contemplated in this Agreement is not declared void under such section 281 of the IT Act and/or the CGST Act.
- (iv) The Seller qualifies as a tax resident under the applicable Double Taxation Avoidance Agreement entered by India for the entire Financial Year in which the Closing takes place.
- (v) The Seller does not have a 'business connection' in India as per the IT Act and it has not received any written or official oral communication from any Tax Authority alleging that it should be classified as having a 'business connection' in India.
- (vi) The Seller does not have a 'permanent establishment' in India as per the applicable Double Taxation Avoidance Agreement and it has not received any written or official oral communication from any Tax Authority alleging that it should be classified as having a 'permanent establishment' in India.
- (vii) The Seller holds and has always held the Sale Shares, on 'non-current investment account' and not on 'trading account' or 'stock-in-trade'. Accordingly, the gains in relation to the Sale Shares earned by the Seller is capital gain under the IT Act.

## **SCHEDULE 5 BUSINESS WARRANTIES**

The Promoters hereby represents and warrants to Honasa as follows:

### **1. AUTHORITY AND CAPACITY**

- 1.1. The Company is duly incorporated under the Companies Act, 1956 and validly existing under the laws of India. The Company has the legal right, power and authority, including corporate authority, as applicable, to enter into, deliver and perform this Agreement and any other documents executed by it pursuant to or in connection with the transactions contemplated under the Transaction Documents. Subject to Applicable Laws, this Agreement when executed, will constitute legal, valid and binding obligations of each of the Warrantors and shall be enforceable against each of the Warrantors in accordance with its terms.
- 1.2. The execution, delivery and the performance, by the Company or the Promoters (as the case may be) of this Agreement and the Transaction Documents and/or the respective obligations in relation to the transactions contemplated herein will not (as applicable):
  - 1.1.1 breach or constitute a default under the Charter Documents of the Company;
  - 1.1.2 conflict with or result in any breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both constitute) a default under, any instrument, contract or other agreement or arrangement (oral or written) to which such Party is a party or by which such Party is bound;
  - 1.1.3 give any Third Party a right to terminate or modify, or result in the creation of any Encumbrance under, any agreement, licence or other instrument (oral or written) to which such Party is a party or by which such Party is bound;
  - 1.1.4 cause the Company to lose the benefit of any right, credit or privilege it presently enjoys, or, cause any Person who normally does business with the Company not to continue to do so on the same basis;
  - 1.1.5 result in a violation or breach of or default under any Applicable Law;
  - 1.1.6 constitute an act of bankruptcy, preference, insolvency or fraudulent conveyance under any bankruptcy act or other Applicable Law for the protection of debtors or creditors;
  - 1.1.7 require such Party to obtain any consent or approval from any Governmental Authority or any other authority in a relevant jurisdiction; and
  - 1.1.8 violate any order, decree or judgement against, or binding upon, such Party or upon its respective securities, properties or businesses.

- 1.2 No consents, approvals, order or authorisation of, or registration, qualification, designation, declaration or filing with, any Person is required in connection with the execution, delivery and performance by the Company and the Promoters of this Agreement and any other documents executed in the course of or pursuant hereto, other than as specifically stated in this Agreement.
- 1.3 There are no claims or proceedings before any court in progress or pending against or relating to the Promoters which could be expected to enjoin, restrict or prohibit the transactions as contemplated by the Agreement, and there are no existing grounds on which any such claim, investigation or proceeding might be commenced with any likelihood of success.
- 1.4 The Subscription Shares subscribed by Honasa in accordance with this Agreement are/will be validly issued and will be validly and fully paid-up at the time of such issuance. Upon the issuance of Subscription Shares to the Honasa, Honasa shall have marketable title to and shall be the sole legal and beneficial owner of the Subscription Shares, free from any Encumbrance (save and except as provided in the Shareholders Agreement and the Articles of Association) or claim or demand of any description whatsoever.
- 1.5 The Warrantors have not, nor has anyone on their behalf, done, committed or omitted any act, deed, matter or thing whereby the Subscription Shares can be forfeited, extinguished or rendered void or voidable. Neither the Company nor anyone acting on behalf of the Company, has entered into or arrived at any agreement or arrangement, written or oral, with any Person, which will render the issuance of Subscription Shares in violation of such agreements.
- 1.6 The Transaction Documents have been duly executed by the Company and the Transaction Documents constitute valid and binding obligations and be enforceable against the Company in accordance with their respective terms.
- 1.7 The Company is in compliance with all applicable foreign exchange regulations, including in relation to the foreign investments and loans received by the Company (if any) and has made relevant filings/ declarations as required under the Applicable Law including the Act and Foreign Exchange Management Act, 1999, and has obtained Licenses under the said regulations with respect to its Business, within the timelines prescribed under Applicable Law.
- 1.8 Except as provided in the Shareholders Agreement and the Articles of Association, there is no power of attorney or other authority in force by which a Person is able to bind, either any of the Promoters with respect to the Company or, the Company.

## **2 CORPORATE MATTERS, SHARE CAPITAL AND SHAREHOLDING**

- 2.1 The Company is a private limited company for the purposes of the Companies Act and the secretarial standards formulated by the Secretarial Standards Board of the Institute of

Company Secretaries of India (“Act”).

- 2.2 The copies of the Charter Documents of the Company delivered to Honasa are true, correct, and complete copies and the Company has complied with all the provisions of its Charter Documents and, in particular, has not entered into any *ultra vires* transaction.
- 2.3 The Company has the corporate power and authority to own and operate its Assets and properties to carry on its Business as currently conducted.
- 2.4 The Company has not bought back, repaid or redeemed or agreed to buy back, repay or redeem any of its Securities or otherwise reduced or agreed to reduce its share capital or purchased any of its own shares or carried out any transaction having the effect of a share buy-back or reduction of capital. Without prejudice to the generality of the foregoing provision, the Company does not have any default subsisting in the redemption of preference shares or in payment of dividend due on any preference shares.
- 2.5 Save and except as specified in the Transaction Documents and the current Articles of Association of the Company, there are no Encumbrances, , warrants or understanding (whether or not such agreements or understanding is absolute, revocable, contingent, conditional, oral, written, binding or otherwise) for the subscription from the Company of any shares in the capital stock of the Company or any Securities convertible into or ultimately exchangeable or exercisable for any capital stock of the Company.
- 2.6 The Company has no Subsidiaries or joint ventures and has not formed an association of persons for Tax purposes, nor does the Company own any direct or indirect equity, voting or ownership interest in any Person, including Persons that carry on any business that competes with the Business as presently conducted.
- 2.7 The Board of Directors of the Company is duly elected and validly appointed as per the provisions of the Act and the Charter Documents and none of the Directors are disqualified to continue as directors under any provisions of the Act and/or any other Applicable Law.
- 2.8 None of the Directors have any direct or indirect ownership (i) in any business entity with which the Company is affiliated; or (ii) in any business entity that competes with the Company.
- 2.9 The Company has complied with all requirements of the Act and its Charter Documents for validly conducting the meetings of the Board and meetings of the Shareholders and notices for holding of Board meetings, conducting of meetings and maintenance and preservation of records in relation to the same. The Company has duly reflected the proceedings of the meetings in the respective minutes. The statutory registers and books of the Company have been properly maintained and are up to date in all respects and contain accurate records.
- 2.10 All of the issued and outstanding Securities are, the Sale Shares shall be, when transferred and Subscription Shares when issued will be in accordance with the terms of the Agreement, duly authorized, validly issued, fully paid and non-assessable and free of

Encumbrances (save and except as specified in the Transaction Documents and the Articles of Association). Upon allotment of Subscription Shares, Honasa shall be the sole legal and beneficial owner of Subscription Shares free from any Encumbrance (save and except as specified in the Transaction Documents and the Articles of Association) or claim or demand of any description whatsoever.

- 2.11 The Sale Shares held by the respective Sellers are fully paid-up and were validly issued to him/ it by the Company, and have been held, in each case, in compliance with the Applicable Laws.
- 2.12 All the instruments of Securities under the Act are adequately stamped as required under Applicable Law and in compliance with Applicable Law including the Indian Stamp Act, 1899.
- 2.13 The Company is not a member of any partnership, joint venture, consortium, or other unincorporated association, body or undertaking in which it participates or is required to participate with any other Person in any business or investment.
- 2.14 There is no agreement (oral or written), arrangement, or understanding amongst the Promoters or other Shareholders that governs their relationship vis-a-vis each other as Shareholders of the Company, or the Business and Control and management of the Company (save and except as specified in the Transaction Documents and the Articles of Association).
- 2.15 Other than the Company, no Promoter has any interest, direct or indirect, in any company or business which is competitive with the Business of the Company.
- 2.16 The Company is engaged only in carrying out the Business.

### **3 FINANCIAL MATTERS AND LIABILITIES**

- 3.1 The accounting books and records of the activities of the Company have been fairly and properly maintained and are in accordance with Law and Indian GAAP and consistently applied accounting principles and are up-to-date and contain all material matters required by Applicable Law to be entered in them.
- 3.2 The Business and the financial condition (including the Assets, liabilities and state of affairs) of the Company is truly and fairly provided in the last financial statements, and there has been no change thereto, other than in the ordinary course of business.
- 3.3 The receivables and unbilled receivables as at September 30, 2021 are collectible in full.
- 3.4 The Company has accrued for all costs (including but not limited to influencer related costs, content creation costs, research and insights costs, activation costs, advertising costs, customer acquisition costs, website hosting costs, software costs, google costs, professional

costs) incurred up to September 30, 2021 at September 30, 2021 and there are no unrecorded costs as at September 30, 2021.

- 3.5 The Company does not have liabilities of any kind, whether accrued, absolute, contingent or otherwise (including liabilities as guarantor or otherwise with respect to obligations of others, or liabilities for Taxes due or then accrued or to become due), or outstanding borrowing or indebtedness in the nature of borrowing, or any Claims outstanding against it in any form whatsoever other than those arising out of the credit facility agreement dated March 5, 2020 executed with Caspian Impact Investments Private Limited (“**Caspian**”) and the amendment agreement to it dated December 18, 2020. Promoters and Company are not aware of any conditions, fact or circumstance that will create obligation, liability, claim or indebtedness.
- 3.6 No event(s) of default has occurred under any of the documents related to any of the indebtedness of the Company or any related security documents (“**Loan Documents**”), nor has the Company received notice of
- 3.6.1 occurrence of any event of default under any Loan Documents, or
- 3.6.2 demand of payment of indebtedness before the originally stated period, or
- 3.6.3 termination, suspension, cancellation of any entitlement to draw money or exercise other rights under any Loan Documents, or
- 3.6.4 any event or circumstance, which could lead to any of the foregoing.
- 3.7 The Company does not have any outstanding borrowing or indebtedness in the nature of borrowing, any Encumbrance (save and except as specified in the Transaction Documents and the Articles of Association), or, any transaction in which a Director or a relative of such Director has interest, or any other transactions in relation to which such Directors are considered to be interested directors within the meaning of the Act. In particular, there are no outstanding loans made by the Company or the Promoters or to the Company or the Promoters by, any Director or officer of the Company or any Person connected with any of them other than the interest free loans taken by the Company amounting to INR 22,89,058 (Rupees Twenty Two Lakhs Eighty Nine Thousand and Fifty Eight only) from Prashant Sinha, Asif Mohammed and Vishal Gupta, Directors of the Company.
- 3.8 There are no outstanding guarantees, indemnities, sureties or comfort letters (whether or not legally binding) given by or for the benefit of the Company other than the deed of personal guarantee dated March 5, 2020 executed by Prashant Sinha, Asif Mohammed and Vishal Gupta in favour of Caspian in relation to the facility agreement executed by the Company with Caspian. The Company has not granted or issued or agreed to grant or issue any mortgages, charges, debentures or other securities for money or redeemed or agreed to redeem any such securities or given or agreed to give any guarantees or indemnities.
- 3.9 There are no liabilities (contingent or otherwise) that may arise, accrue and/or attach to the



Company or any Affiliate of the Company as a result of the consummation of the transactions contemplated by this Agreement.

- 3.10 There are no Encumbrances or other security interests or any other agreements or arrangements having a similar effect, created over any present or future properties, Assets or revenues of the Company whether tangible, intangible or real, or whether created voluntarily or otherwise other than the hypothecation by way of first ranking, exclusive charge over all Assets of the Company so as to provide a security cover of at least 1.25 x (one point two five times) the outstanding credit facility pursuant to the deed of hypothecation executed by the Company with Caspian dated March 5, 2020 and the supplemental deed of hypothecation executed by the Company with Caspian dated December 18, 2020.
- 3.11 There have been no instances of fraud on, or by, the Company which have been noticed and not reported, and the Company and its Affiliates shall have no liabilities accrued and/or attached on account of any of such frauds.
- 3.12 All the indebtedness of the Company, has been duly authorized by all necessary corporate actions and consents and the requisite filings / registrations in this regard have been duly complied with.
- 3.13 The Company does not have any outstanding claims including any warranty claims, claims relating to liability from any of its customers.
- 3.14 The Company does not have any off balance sheet exposures/bank guarantees or letters of credit/ letters of comfort issued in favour of any Person that are not reflected in the financial statements.
- 3.15 Neither the Company, nor any of its Directors, officers, Board (supervisory and management) members or and the Company's employees have made, directly or indirectly, any payment or promise to pay, or gift or promise to give or authorized such a promise or gift, of any money or anything of value director or indirectly to:
  - 3.15.1 any official for the purpose of influencing any official act or decision of such official or inducing him or her to use his or her influence to affect any act or decision of a Governmental Authority, or for any unlawful purpose; or
  - 3.15.2 any political party or official thereof or candidate of a political office for the purpose of influencing any official act or decision of such party, official or candidate, official or candidate to use his or its influence to affect any act or decision of a Governmental Authority, or for any unlawful purpose; or
  - 3.15.3 in the case of both 3.15.1 and 3.15.2 above in order to assist the Company or any of its Affiliates to obtain or retain Business for, or direct Business to the Company or to any of its Affiliates, as the case may be.

#### **4 TAXATION MATTERS**

- 4.1 The Company has complied with all material requirements as specified under the respective Tax Laws as applicable to it in relation to returns, computations, notices, deductions, withholdings and information which are or are required to be made or given by the Company to any Tax Authority for Taxation and for any other Tax or duty purposes, have been made on a proper and timely basis and are correct and none of them is the subject of any dispute with the Indian taxation authorities and all Taxes have been deducted, collected, withheld, deposited and paid and filings with respect to the same have been done and completed in accordance with Law and no Tax Demand has been received or threatened in writing in respect thereof.
- 4.2 The Company has discharged all due and payable sums towards payment of Taxes of any other Persons that they are required to discharge under any applicable contracts.
- 4.3 The Company is not subject to Tax in any jurisdiction other than India and has at all times since its date of incorporation been Indian resident for Tax purposes in India, has never had any branch, agency or permanent establishment in any jurisdiction other than India and has never had any tax residency in any jurisdiction other than India.
- 4.4 The Company has no Tax liability arising out of any matter up to Closing except as adequately reserved for on its financial statements.
- 4.5 With respect to any period for which Tax returns are not yet due and thus have not been filed, or for which Taxes are not yet due or owing, the Company has made due and sufficient accruals for such Taxes in its books and records and in accordance with Indian GAAP and Applicable Laws, including the financial statements.
- 4.6 The Company has not paid or become liable to pay any material interest, penalty, surcharge or fine relating to any applicable Taxes. The Company has not been subject to and the Company, it is not currently subject to, any investigation, audit or search and/or seizure by any revenue authority.
- 4.7 No relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, hold-over, repayment or allowance or otherwise) from, against or in respect of any Taxation has been claimed and/or given to the Company which could or might be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of the transaction contemplated under this Agreement and/or as a result of any act, omission, event or circumstance arising or occurring at or at any time before completion of the transaction contemplated under this Agreement.
- 4.8 No audit, investigation or other proceeding by a Governmental Authority is pending or being conducted with respect to (i) any Taxes due from or with respect to the Company or in relation to the filing of any Tax returns or failure to do so or (ii) any of the Company in respect of any pending proceedings under any Tax Laws that have any adverse impact on

the Company's ability to consummate the transactions contemplated herein or that has the effect of creating any charge or lien on any Equity Securities or any Assets of the Company in favour of a Governmental Authority.

- 4.9 As of the date of the financial statements, the Company does not have any liability for any unpaid Taxes which has not been accounted for or reserved in the financial statements.
- 4.10 The Company is not subject to any examination, Tax Claims or liabilities, and the Company has not been notified of any request for such another examination. The Company has no Notice of any Tax disputes or other liabilities of Taxes in respect of which a Claim has been made or Notice has been issued against the Company. There is no Tax deficiency outstanding or assessed or proposed against the Company, nor has the Company extended the period for the assessment or collection of any Tax.
- 4.11 The Company maintains and has retained for the period required by Applicable Law:
- 4.11.1 accurate records of all Assets for taxation purposes;
  - 4.11.2 without limiting the generality of the foregoing, accurate records of all information relating to those Assets for taxation purposes; and
  - 4.11.3 all other records that the Company is required to maintain under Applicable Law relating to Taxes.
- 4.12 The Company has not been involved in any scheme, arrangement, transaction or series of transactions in which the main purpose or one of the main purposes was the evasion or avoidance of Tax.
- 4.13 There is no tax deficiency / tax demand outstanding or assessed against the Company, nor has the Company extended the period for the assessment.
- 4.14 The Company is not responsible (by law or by agreement or contract, whether written or oral) for the payment of Tax of any Person other than itself, except for deduction and remittance of tax deductible at source as required under the applicable Tax laws / regulations.
- 4.15 The Company does not have any historic tax exposures (including any interest and / or penalty, surcharge and / or cess, by whatever name called).
- 4.16 The Company has not executed any waiver of any statute of limitations on the assessment or collection of any Governmental Charges / Taxes, or executed any agreement now in effect extending the period of time to assess or collect any Governmental Charges / Taxes.

## **5 CONTRACTS**

- 5.1 The Company is not in default of the performance, observance or fulfilment of any of its

obligations, covenants or conditions contained in Contracts, nor has it received notice of default or requiring cure of any breach or termination from any counterparty under a Contract. None of the counterparties to any of the contracts are in default of the performance, observance or fulfilment of any of their respective obligations, covenants or conditions contained in contracts. To the best of its knowledge, no counterparty has indicated any intention to terminate any such contract prior to the expiration of its term. All Contracts have been duly authorised, executed and delivered by the Company and constitutes a valid and binding obligation of each party thereto, enforceable against each party thereto in accordance with its terms.

- 5.2 There are no agreements or understandings to which the Company is a party or by which it is bound which (i) grants direct or indirect management, operational or voting rights or economic interest in the Company to any third Person including any power of attorney with respect to the foregoing; (ii) is a non-competition contract restricting in any way the Business activities of the Company; (iii) was entered into outside of the ordinary course of business of the Company; (iv) provides for the sharing of the Revenue of the Company with any Third Party or the Promoters; (v) is a Contract with any Person relating to the use of the Assets of the Company; or (vi) is materially adverse to the Business or financial condition of the Company.
- 5.3 The Company is not a party to any Contract with any current or former employee, current or former director or any current or former consultant of the Company or in which any such Person as aforesaid is interested (whether directly or indirectly) nor are any such contracts, arrangements or understanding outstanding or in force.
- 5.4 The Company is not a party to any Contract which in whole or in part contravenes or is invalidated by any restrictive trade practices, fair trade, consumer protection or similar Applicable Law or regulations in the jurisdiction in respect of which any filing, registration or notification is required pursuant to such Applicable Laws (whether or not the same has in fact been made).
- 5.5 Documents/agreements relating to the Assets and properties executed by it and/or any Person on behalf of the Company are adequately and duly stamped, and registered if so required by Applicable Law.
- 5.6 To the best of its knowledge, there are no known or potential liabilities on account of liquidated damages payable by the Company.
- 5.7 There are no year-end commissions, incentives, discounts payable by the Company except as provided in the financial statements.
- 5.8 There are no other agreements or contractual obligations to which the Company or the Promoters is a party, which are inconsistent with the provisions of this Agreement.
- 5.9 There is no Contract to which the Company is a party or that binds the Company, that:

- 5.9.1 is incapable of being fulfilled or performed on time;
  - 5.9.2 provides that the Company will act as distributor of goods or services or as agent for another Person;
  - 5.9.3 has or is likely to have a material effect on the financial position or prospects of the Company;
  - 5.9.4 requires the Company to provide funds to or make any loan, capital contribution or other investment in or assume any liability or obligation of any Person;
  - 5.9.5 has been executed with any Governmental Authority;
  - 5.9.6 provides for indemnification to or from any Person with respect to liabilities to any Person, other than in the ordinary course of business; and
  - 5.9.7 has been executed with any labour union or for providing of benefits under any plan.
- 5.10 All customer Contracts (including key employment agreements) entered into by the Company are adequately stamped as required under Applicable Law, in compliance with Applicable Law. Each such Contract constitutes a valid and binding obligation of the Company, is in full force and effect.
- 5.11 All Contracts to which the Promoters and/or Company is a party in relation to voting rights, governance rights, management of the Company, providing economic interest in the Company to any Sellers or the any third Person shall be terminated with effect from the First Closing Date.
- 5.12 None of the Promoters is a party to any agreement or arrangement with the Company or any third party with respect to the Company that is other than on an arm's length basis.
- 5.13 Neither the Company nor any counter party is in violation of any term or provision of any mortgage, indebtedness judgment, order or decree to which it is party or by which it is bound.
- 5.14 All the invoices raised by the Company with respect to its Business operations are issued in the name of the Company and all liability arising under any and all invoices shall be assumed by the Company.
- 5.15 The Company has only entered into the following agreements:
- 5.15.1 master service agreement executed with Johnson & Johnson Private Limited dated October 15, 2019;
  - 5.15.2 service agreement executed with USV Private Limited dated September 6, 2021;
  - 5.15.3 service agreement executed with Mankind Pharma Limited dated July 20, 2021;
  - 5.15.4 user agreement executed with ImageKit Private Limited dated January 29, 2020;
  - 5.15.5 user agreement executed with ImageKit Private Limited dated March 1, 2021;

- 5.15.6 service agreement executed with Cutting Edge Digital Private Limited dated February 11, 2020;
- 5.15.7 software usage agreement executed with Roid Technologies Private Limited dated October 15, 2020;
- 5.15.8 agreement with Searce in relation to google cloud platform usage dated December 6, 2017;
- 5.15.9 services agreement executed with Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited dated December 1, 2020;
- 5.15.10 services agreement executed with Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited dated June 2, 2020;
- 5.15.11 payment solution agreement with One97 Communications Limited dated April 24, 2019;
- 5.15.12 non-disclosure and confidentiality agreement executed with Roid Technologies Private Limited dated October 15, 2020;
- 5.15.13 enterprise service agreement executed with Anamika Systems Private Limited dated April 1, 2019;
- 5.15.14 amendment to enterprise service agreement executed with Anamika Systems Private Limited dated April 1, 2019 dated January 1, 2020;
- 5.15.15 amendment to enterprise service agreement executed with Anamika Systems Private Limited dated April 1, 2019 dated January 1, 2021;
- 5.15.16 amendment agreement to services agreement executed with Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited dated June 2, 2020 dated May 28, 2021; and
- 5.15.17 SaaS services agreement executed with TorcAI Digital Media Private Limited dated May 1, 2019.

## **6 RELATED PARTY ARRANGEMENTS**

- 6.1 The Company has not entered into any contract, arrangements, agreements or transactions with any of the related parties.
- 6.2 There are no subsisting contracts or arrangements entered into by the Company which contravene Sections 185 or 188 of the Companies Act.
- 6.3 The Company does not own, nor has agreed to acquire or dispose, any Asset, nor is receiving or has agreed to receive or provide any services or facilities (including, without limitation, the benefit of any license or agreements), the consideration for the acquisition or provision of which was or will be in excess of its market value, or otherwise than on an arm's length basis.
- 6.4 No corporate guarantees have been issued by the Company for the benefit of any of its related parties and there are no reimbursement arrangements/agreements between the Company and any of the related parties in relation to corporate guarantees issued by such related parties for the benefit of the Company or otherwise.

## **7 EMPLOYEES**

- 7.1 Except as set out in the offer letters issued to employees and group medical insurance coverage, there is no other contractual benefit that is being provided to the employees and/or the workers including any deferred compensation, performance or long-term incentive, commission, proceeds of profit-sharing, retirement/superannuation payments, referral fee, retention bonus or other employee compensation. The Company has an employee stock option plan pursuant to which the following employees have been give stock options : Sunil Pandey, Akshat Singh, Senthil Raj, Parul Ohri, Gajender Gupta, Shavet Jain, Pushpender Chauhan, Vinay Kumar Dahiya, Sunil Pandey, Akshat Singh, Senthilraj Kalaimani, Richa Jain, Shimona Shahi, Hansveen Kaur, Lalita Goyal, Sumit Solanki, Neha Gahlaut, Anirudh Agrawal, Soumya Sarkar and Sachin Dingankar.
- 7.2 All employee costs are reflected in the financial statements and no employee receives or is entitled to receive any compensation, salary, benefits, performance incentive, social security coverage from anyone other than the Company.
- 7.3 No loans and advances have been made by the Company to its respective employees or to the employees of its related parties.
- 7.4 The Company has no collective bargaining agreement, settlement, arrangement and other similar understanding with any trade union, staff association or other body representing the employees or workmen of the Company and no labour union has requested or sought to represent the interest of any section of employees, workmen, representatives or agents of the Company. There have neither been any strikes nor other labour disputes involving the Company nor are such strikes or similar actions pending or threatened by or against the Company.
- 7.5 Neither the Company nor the Promoters are aware of any of the Key Employees of the Company intending to terminate her/his employment with the Company nor does the Company have an intention at present to terminate the employment/ retire of any Key Employee.
- 7.6 None of the Company's employees or workers are obligated under any contract, or subject to any law, judgment, decree or order of any Governmental Authority, that would interfere with the use of his or her best efforts to promote the interests of the Company or that would conflict with the Business.
- 7.7 No claims for damages, arrears, compensation, personal injuries or any other amounts have been made by, or are threatened or anticipated from any current or former employees, officers or Director, independent contractors, consultants or contract labour engaged through third parties and/or their legal heirs and beneficiaries, against the Company.
- 7.8 The Company has, in relation to each of its current and former employees/workers, independent contractors, consultants, and contract labour engaged through third parties as applicable:

- 7.8.1 complied with its contractual and statutory obligations under relevant employment laws and all other statutes and regulations relevant including but not limited to codes of conduct, collective bargaining Contracts, terms and conditions of employment including hiring, termination of employment, non-discrimination in employment, disability, immigration, pay equity and remuneration for the same work or work of a similar nature, terms and conditions of employment, payroll, wages, minimum wages, overtime wages, salaries including undisbursed salaries, paid leaves, accumulation of leaves and leave encashment obligations, payment of sustenance allowance during suspension, bonuses, incentives, gratuities, benefits, retention pay or arrangements, severance pay or similar benefits, service compensation, retrenchment compensation, notice and notice pay obligations, compensation for employment injuries and contracting occupational diseases and other compensation, medical bonus, maternity benefit, labour welfare contributions, social security contributions (including but not limited to correct calculation and timely contributions to the provident, pension and deposit-linked insurance fund, and employees' state insurance fund), contract labour arrangements (including social security obligations as a principal employer), health benefits or death benefits to any former employees or any of their dependents, former dependents or beneficiaries and has maintained adequate and suitable records and registers and has filed the requisite filings regarding the service of the employees/workers as well as consultants, as applicable;
- 7.8.2 discharged or adequately provided for in all respects its obligations to pay all salaries, wages, commissions, gratuity payments, provident fund payments, statutory and contractual bonuses, overtime pay, holiday pay, sick pay, retrenchment compensation, leave encashment and other statutory and contractual benefits of or connected with employment or other engagement up to the date of this Agreement; and
- 7.8.3 complied in all respects with all its obligations concerning the occupational health and safety at work of each of the employees/worker and has not incurred any liability to any employee/worker in respect of any accident or injury, which is not fully covered by insurance.
- 7.9 The Company is not in violation of any Applicable Law related to labour regulations of India with regard to employment of any expatriate employee. The Company has not received any notice nor has there been any threat of an issue on any notice by any Governmental Authority under such Applicable Law for non-compliance or inadequate compliance thereof and there is no pending or threatened or anticipated proceeding against the Company in relation to any matters relating to the employees of the Company.
- 7.10 The Company has fully funded and obtained an insurance from an approved insurer towards its gratuity liability.
- 7.11 The Company has not engaged in any unfair labour practice.



7.12 The Company has neither received nor anticipates any show cause notice, notice of default, demand notice or any other notice seeking compliance information from any Governmental Authority.

## **8 LEGAL MATTERS**

8.1 The Company is in material compliance with all Applicable Law and the Business and operations of the Company have been carried on in accordance with the Charter Documents and requirements of all Applicable Law.

8.2 The Company has all the applicable permits, approvals, authorisations, licenses, registrations, and consents including Tax registrations necessary for the conduct of its Business as currently conducted and the licenses and approvals are valid and existing as of date of this Agreement and shall continue to be valid upon the consummation of the transactions pursuant to or under this Agreement.

8.3 The Company is not in breach of or in default under any permits, approvals, authorisations, licenses or registrations necessary for operating the Business, nor is the Company or the Promoter aware of any event or circumstance or any intention or proposal under which any of those licences, permits, approvals are likely to be revoked, terminated or cancelled or (where applicable) not renewed in the ordinary course.

8.4 None of the Warrantors has notice of, nor is a party to, nor affected by, any investigation enquiries, litigation, or any other proceedings, whether of a civil, criminal, administrative or any other nature.

8.5 Neither the Company nor the Promoters have, committed:

8.5.1 any criminal or unlawful act involving dishonesty;

8.5.2 any breach of trust;

8.5.3 any breach of contract or statutory duty; or

8.5.4 any act which could be reasonably expected to have a Material Adverse Effect on the Business or Company, or could entitle any Third Party to terminate any contract with the Company.

8.6 No claim for damages or compensation has been made by any Person against the Company or the Promoters, which will adversely affect the transactions contemplated by the Agreement.

8.7 The statutory registers and books including the minute books and register of members of the Company has been properly and accurately maintained and written up to date in all respects and contain full and accurate records, including of existing Shareholders (whether legal or beneficial owners) and Directors of the Company, of all resolutions passed by the

Directors and the Shareholders of the Company, and all issuances and transfers of shares or other securities of the Company.

## 9 LITIGATION

- 9.1 There are no actions, suits, claims, proceedings or investigations (“**Proceedings**”) pending or threatened in writing against or by the Warrantors, in equity or otherwise, and whether civil or criminal in nature in, before, or by, any court, commission, arbitrator or Governmental Authority, and there are no outstanding judgments, decrees or orders (“**Orders**”) of any such court, commission, arbitrator or Governmental Authority, including Proceedings or Orders which (i) involve a challenge to, or seek to, or prohibit, prevent, restrain, restrict, delay, impair, prejudice, make illegal or otherwise interfere with the due and proper consummation of any of the transactions contemplated under the Transaction Documents, or (ii) seek to impose conditions upon the ownership or operations of the Company or which affect the ability of Honasa to invest in the Company.
- 9.2 No order has been made, petition presented, resolution passed or meeting convened for the winding up (or other process whereby the Business is terminated or the Assets of the Company are distributed amongst their creditors and/or shareholders or other contributories) of the Company, and/or for an administration order against the Company and there are no cases or proceedings under any applicable insolvency, reorganisation, or similar Laws concerning the Company and no events have occurred which, under Applicable Laws, would justify and result in any such cases or proceedings. The Company is not insolvent or bankrupt, or unable to pay its debts as they fall due. No receiver, liquidator, trustee, administrator, custodian or similar official has been appointed in respect of the whole or any part of the Business or Assets of the Company and no step has been taken for, or with a view to the appointment of such a Person.
- 9.3 The Company is not involved whether as plaintiff or defendant or other party in any demand, claim, legal action, proceeding, suit, litigation, prosecution, investigation, enquiry or arbitration and no such demand, claim, legal action, proceeding, suit, litigation, prosecution, investigation, enquiry or arbitration is pending or threatened in writing by or against the Company (or any Person for whose acts or defaults the Company may be vicariously liable) except in Suit No. 1221 of 2017 and Misc. Application bearing No. Misc/DJ/102/2021 filed before the Patiala House Court, New Delhi in the matter of *Just4Kids Services Private Limited vs. K12 Techno Services Private Limited* which is pending adjudication and W.P.(C) 12367/2021 filed before the Delhi High Court in the matter of *Just4Kids Services Private Limited vs. Pr. Director General of Income Tax, Systems & Ors.* which was disposed of on October 29, 2021 by the Delhi High Court.
- 9.4 There is no individual litigation, arbitration, administrative or criminal proceeding, pending or threatened involving the Company or any Directors, officers or employees of the Company.
- 9.5 There is nothing that may result in:
- 9.5.1 A claim for liquidated damages arising from any contract to the Business;

9.5.2 A claim for a breach of a warranty under any Contract; or

9.5.3 That might affect the right of the Honasa to own and vote on the Subscription Shares or the right of the Company to operate the Business or own its Assets.

9.6 Neither the Company nor the Promoters have committed:

9.6.1 any breach of Contract or statutory duty or any tortious act which could entitle any third party to terminate any contract / agreement to which the Company is a party, or which could have a Material Adverse Effect on the Company or the Business; or

9.6.2 any breach of the Memorandum, Articles or any judgement, order, writ, decree to which it is a party or by which it is bound.

## **10 INSURANCE**

10.1 The Company has adequately insured its Assets and the Business in accordance with prudent business practices against comprehensive liability, fire, earthquake and other appropriate insurance coverage.

10.2 In respect of all insurances relating to the Company or its Assets (i) all premiums have been duly paid to date; (ii) all the policies are in full force and effect and no act, omission, misrepresentation or non-disclosure by or on behalf of the Company has occurred which makes any of these policies voidable, nor has there been any breach of the terms, conditions and warranties of any of the policies that would entitle insurers to decline to pay all or any part of any claim made under the policies; and (iii) no claim is outstanding and no circumstances exist which are likely to give rise to any claim.

10.3 The Company only has the following insurance policies currently in effect: (i) Directors & Officers Liability Insurance taken from Tata AIG General Insurance Company Limited having policy number 2309003989 valid up to March 24, 2022; and (ii) Group Health (Floater) Insurance taken from ICICI Lombard General Insurance Company Limited having policy number 4016 X 154373473 03 000 valid up to August 5, 2022.

## **11 PROPERTIES**

11.1 The Company does not own any immovable property.

11.2 Insofar, as all the immovable properties used by the Company for the purpose of its Business are concerned, the usage thereof is as per Applicable Law. All leases, tenancies, Licenses and agreements of any nature which the Company is a party are valid, binding and enforceable obligations of the respective parties thereto and the terms thereof have been complied with by the Company and to the best of its knowledge, there have occurred no grounds for rescission, avoidance or repudiation of any of the contracts or such leases, tenancies, Licenses or agreements and no notice of termination or of intention to terminate has been received in respect of any thereof. With respect to the properties and Assets, which

the Company has taken on lease, rent or leave and licence, the Company is not in any non-compliance with such leases, rental agreements or licences. There does not exist any mortgage, charge, pledge, lien, Encumbrance over all or any of the present or future revenues of the Company or any agreement in this regard. The Company is enjoying the right to quiet and peaceful possession of all of its immovable property and no notice of any disturbance of, or challenge to the Company's quiet and peaceful possession has been received.

- 11.3 In relation to each of the Assets no notices, orders, proposals, applications or requests affecting or relating to any of such Assets have been served or made by any authority on (i) the Company or (ii) the actual owners of the Assets, and there are no circumstances which are likely to result in, any being served or made.
- 11.4 All significant records and information, belonging to the Company or relating to its Business (whether or not held in written form) are in the possession and under the direct control of the Company and subject to unrestricted access by it.
- 11.5 All Assets of the Company including all debts due to the Company which are included in the financial statements of the Company or have otherwise been represented as being the property of or due to the Company and/or being used by the Company for the purposes of their Business are the absolute property of the Company, and/or is being leased to the Company.

## 12 INTELLECTUAL PROPERTY

- 12.1 The Company is the absolute owner, valid licensee, or authorized user (as the case may be) of its trademarks, trade names, logos, trade secrets, proprietary information and knowledge, technology, databases, copyrights (if any), licenses and, franchisees and formulas, formulations or rights with respect thereto necessary for its Business as is now being operated ("**Intellectual Properties**").
- 12.2 The use of the Intellectual Properties as is being used by the Company does not and will not infringe and/or breach or affect the intellectual property rights of any Person.
- 12.3 All rights in all Intellectual Properties, confidential information pertaining to the Business and trademarks owned or otherwise required for the Business as currently conducted are vested in or validly granted to the Company and are not subject to any limit as to time or restriction and all renewal fees and steps required for their maintenance or protection have been paid and taken.
- 12.4 There are no legal proceedings including any litigation, arbitration, infringement and/or passing off actions filed against the Company and no litigation, arbitration, infringement and/or passing off actions is proposed and/or threatened to be filed against the Company by any Person and the Company has not received any cease-and-desist notice so far and is not aware, to the best of its knowledge, of any circumstance under which such a notice may be issued.

- 12.5 The Company does not carry on Business under any name other than its corporate name.
- 12.6 No one has been licensed, authorized, or permitted by the Company to use a name incorporating all or part of the names of the Company or any Business names.
- 12.7 The Company owns and is in the possession and control of original copies of all manuals, guides, instruction books and technical documents (including any corrections and updates) required for effective operation of the hardware and software material to the Business.
- 12.8 The Company has appropriate disaster recovery systems in place in respect of hardware and software used in its business.
- 12.9 The Company is not in default under any licence, sub licence or assignment granted to it in respect of any proprietary rights used in relation to its Business.
- 12.10 Where information of a confidential nature has been developed or acquired by Company for the purposes of its Business prior to the date hereof, such information (except insofar as it has fallen into the public domain through no fault of the Company), has been kept strictly confidential and has not been disclosed otherwise than subject to an obligation of confidentiality being imposed on the Person to whom the information was disclosed. The Company is not aware of any breach of such confidentiality obligations by any third party.
- 12.11 The Company only owns the following trademarks:
  - 12.11.1 "Momspresso" bearing trademark no. 3789789 in class 35; and
  - 12.11.2 "mycity4kids" bearing trademark no. 2321860 in class 35.
- 12.12 The Company only owns the following domain names:
  - 12.12.1 momspresso.com;
  - 12.12.2 momspresso.in;
  - 12.12.3 mycity4kids.com;
  - 12.12.4 mycity4kids.in;
  - 12.12.5 momspressobharat.com;
  - 12.12.6 momspressobharat.in;
  - 12.12.7 momspresso-mymoney.com;
  - 12.12.8 mumpresso.com; and
  - 12.12.9 momspresso-mails.com

### **13 CONFIDENTIALITY, CYBERSECURITY, AND DATA PRIVACY**

- 13.1 The Company (i) has taken reasonable measures to protect the confidential and proprietary nature of its know-how, trade secrets or confidential information and the information technology assets, systems and networks ("**IT Assets**") and any personal data of the Company, (ii) has not disclosed or permitted to be disclosed or undertaken or arranged to disclose to any Person any of its personal data, know-how, trade secrets or confidential information except in the ordinary course of business pursuant to written data processing

or confidentiality agreements, as applicable, and (iii) has taken reasonable measures to ensure the physical and electronic protection of the same from unauthorized disclosure, use or modification, required under law. There has been no breach of security involving, unauthorized access to, or disclosure of any IT Assets or any personal data of the Company.

- 13.2 The Company has in place policies and operational procedures designed to ensure continued compliance with applicable privacy obligations (the “**Privacy Policies**”). The Company has taken reasonable measures to be compliant in all respects with such Privacy Policies, with any contractual obligations relating to privacy, data protection, and the collection and use of the personal data, and with all applicable privacy obligations. No claim, action, proceeding, complaint, inquiry, audit or investigation is pending or threatened in writing against the Company or any of its officers, directors, or employees (in their capacity as such) by any Person or Governmental Authority with respect to personal data, including alleging a violation of any person's privacy, personal or confidentiality rights under the Privacy Policies and, there is no basis for the same (to the best of its knowledge). Neither this Agreement nor the transactions contemplated by this Agreement will violate the Privacy Policies as they currently exist or as they existed at any time during which any personal data was collected or obtained.
- 13.3 All relevant information relating to the Company which is material in relation to the Company’s Business, operations, financial conditions, assets and liabilities, Intellectual Property, organisation, Tax, employment related matters, compliance matters and litigation, required to be known by any prudent purchaser for valuable consideration has been disclosed to Honasa.
- 13.4 The Company is, and has been, in compliance with the provisions of the Information Technology Act, 2000 (“**IT Act**”) and related rules, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“**SPDI Rules**”) is in compliance with all applicable industry standards related to the same, and does not collect any sensitive personal data or information (as defined under the SPDI Rules) from any person, and takes all appropriate and industry standard measures to protect and maintain the confidential nature of the personal information provided to the Company by individuals.

#### **14 COMPLIANCE WITH ANTI-CORRUPTION AND BRIBERY LAWS**

- 14.1 The Company and the Promoters, represent and warrant that they, and the directors and employees of the Company (to the extent instructed by the Company):
- (a) have not, whether in connection with the proposed investment contemplated herein, in conducting the Business operations or otherwise:
    - (i) made improper payments to public officials in order to secure a business advantage;
    - (ii) offered, provided or received any prohibited gratuities, bribes, gifts, entertainment, facilitating payments, or anything of value to or for the benefit of a Governmental Authority (whether Indian or any relevant

foreign equivalent) or to any person under circumstances where such person knows that all or a portion of such money or thing of value shall be offered, given or promised to any Governmental Authority (whether Indian or any relevant foreign equivalent), for the purpose of:

- (A) influencing any act or decision of such Governmental Authority (whether Indian or any relevant foreign equivalent) in their official capacity;
  - (B) inducing such Governmental Authority to do or omit to do any act in relation to their lawful duty;
  - (C) securing any improper advantage;
  - (D) inducing such Governmental Authority to influence or affect any act or decision of any Governmental Authority; or
  - (E) assisting the Company in obtaining or retaining business for or with, or directing business to the Company.
- (iii) engaged in activities or transactions with sanctioned or blacklisted countries or individual parties contrary to Applicable Laws;
- (b) have complied with anti-money laundering, anti-corruption and anti-bribery practices and policies, as put in place by the Company, that are compliant with all Applicable Laws; and
- (c) followed ethical business practices.

14.2 No directions have been provided by the Company to any Persons acting for or on behalf of the Company which would violate the principles set out above in paragraph 14.1.

14.3 No proceeds of any illegal act or act related to drug trafficking, corruption, bribery, organised crime or terrorism have been received by the Company, directly or indirectly or as a contribution to or otherwise to support the activities or Business of the Company as a whole.

14.4 The provisions of this paragraph 14 shall apply:

- a) to the Company and its employees irrespective of their geographic location, to the extent set out in this paragraph 14; and
- b) to the anti-bribery laws applicable to such Persons listed in paragraph 19 above, to the extent set out in this paragraph 14.

## **15 ENVIRONMENT MATTERS**

- 15.1 The Company has complied and is in compliance with all applicable environmental laws and has obtained and is in compliance with all applicable environmental consents. No notice of violation, notification of liability or request for information has been received by the Company, and no litigation is pending or threatened by any Person involving the Company relating to or arising out of any environmental law. No order has been issued and no penalty or fine has been assessed involving the Company relating to or arising out of any environmental law.
- 15.2 No hazardous substances are located and no releases of hazardous substances have occurred at, on, above, under or from any Properties currently or formerly owned, leased, operated or used by the Company that has resulted in or would reasonably be expected to result in any cost, liability or obligation of the Company under any environmental law.
- 15.3 Neither the Company nor any other Person on the Company's behalf has caused or taken any action that could reasonably be expected to result in any liability relating to the environmental laws at, on, above, under, or about any properties or Assets currently owned, leased, operated or used by the Company.
- 15.4 No construction or capital expenditure is required in respect of the properties and Assets of the Company in order to comply with any environmental law.
- 15.5 The Company has provided to Honasa and its representatives, all environmental site assessments, audits, investigations, studies, inspection reports, pre-establishment approvals in the possession, custody or control of the Company, relating to properties or Assets currently owned, leased, operated or used by the Company.

**16 GENERAL**

- 16.1 All the information contained in the Agreement or any other Transaction Documents provided by the Company and the information contained in any certificate, or other document delivered pursuant hereto or thereto or in connection with the transactions contemplated hereby or thereby (except for any information relating to any future projections) is true and accurate in relation to the Company and the Promoters.
- 16.2 The Company is not aware of any material facts or circumstances relating to the affairs of the Company or Subsidiary which have not been disclosed to Honasa.



**SCHEDULE 6  
REMAINING SHARE SALE WARRANTIES**

**Part A**

**1. Authority; Capacity; No Conflict:**

Each Promoter:

- (i) Has the full legal right, capacity and authority to enter into this Agreement. It has the authority to execute and deliver the terms and provisions of this Agreement and has taken all necessary action or otherwise, as applicable to him to authorise the execution and delivery by it of this Agreement and the transactions contemplated hereby.
- (ii) This Agreement constitutes a valid and binding obligation on him and is enforceable against it in accordance with its terms.
- (iii) The execution, delivery and performance by him of this Agreement will not constitute an act of bankruptcy, preference or fraudulent conveyance under any bankruptcy statute or other Applicable Law for the protection of debtors or creditors of such Promoter. All documents and certifications executed by such Promoter under or pursuant to the terms of this Agreement in writing, are true, correct, and not misleading.
- (iv) The execution, delivery and performance of this Agreement by such Promoter will not: (a) violate any provision of its Charter Documents; (b) violate any court order, judgment, injunction, award, decree or writ against, or binding upon him; or (c) violate or conflict with any Applicable Laws.
- (v) The Promoter is not insolvent within the meaning of Applicable Law or unable to pay its debts under the insolvency laws of any applicable jurisdiction and has not stopped paying its debts as they fall due. The Promoter has not received notice of any administrator or any receiver or manager being appointed by any person in respect of the Promoter or any of its assets and no steps have been taken to initiate any such appointment and no such voluntary arrangement has been proposed.
- (vi) There are no outstanding commitments, liabilities or obligations, contractual or otherwise, which would in any respect conflict with or impede the ability and right of such Promoter to enter into this Agreement or fulfil any and all of its obligations hereunder, or to perform the transaction contemplated herein. Has obtained all relevant consents, orders, authorizations, registrations and Approvals required by it in connection with the execution, delivery and performance of this Agreement by it and the consummation of the transactions contemplated hereby, and to the extent necessary, they are in full force and affect.

**2. Remaining Shares**

- (i) The ownership of the relevant Remaining Shares by such Promoter is in compliance with Applicable Law.
- (ii) The Promoter is the sole legal and beneficial owner of the relevant Remaining Shares, and has the right to sell and transfer the full legal and beneficial ownership in such Remaining Shares free from any Encumbrances (save and except as specified in the Transaction Documents and the Articles of Association) and together with all rights and benefits attaching to them. The Promoter has not received any notice of a threat or any claim against such Remaining Shares. The Remaining Consideration to be received by relevant Promoter will be received by such Promoter in his own account.
- (iii) Honasa will acquire a valid and marketable title to such relevant Remaining Shares and such Remaining Shares when delivered by the Promoter to the Honasa pursuant to this Agreement will be duly authorized, validly issued, fully paid-up and will be free and clear of all Encumbrances (save and except as specified in the Transaction Documents and the Articles of Association) and third party rights and interests.
- (iv) The relevant Remaining Shares held by the Promoter are fully paid-up and were validly issued to him, and have been held, in each case, in compliance with Applicable Laws.
- (v) All of the rights attached to the Remaining Shares have only been exercised by such Promoter.
- (vi) No dividends and/or distributions have been made with respect to the Promoter's portion of the relevant Remaining Shares.
- (vii) All Remaining Shares were acquired by the relevant Promoter as a subscription to new securities of the Company and not by way of a purchase from any existing shareholder.

**3. General:**

- (i) There are no Contracts, options, warrants, calls or other rights relating to the sale or purchase of the relevant Remaining Shares held by the Promoter that it has entered which entitle or may entitle any Person to create or require to be created any right or Encumbrance (save and except as specified in the Transaction Documents and the Articles of Association) over the relevant portion of his Remaining Shares; and (ii) there are no voting trusts or other arrangements or understandings with respect to the voting of the Remaining Shares that it has entered into.
- (ii) There are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims (including claim for indemnity), actions or investigations of any nature whatsoever by any Governmental Authority, pending against the Promoter which relates in any manner to this Agreement or which could impact its ability to perform this Agreement or to which any of the relevant Remaining Shares are subject or which relate to or are connected with any inquiries or violations under the anti-money laundering laws or anti-corruption regulations,

and to the best of the Promoter's knowledge, no such notice has been served upon or delivered to the Promoter with respect to any such proceeding, claim, action or investigation by any Governmental Authority against the Promoter which relate in any manner to this Agreement or which could adversely impact its ability to perform this Agreement.

- (iii) To the best of the Promoter's knowledge, there is no relevant fact or circumstance relating to the Promoter, the Company or the relevant Remaining Shares held by the Promoter that has not been disclosed to the Honasa and that if disclosed might reasonably have been expected to influence the decision of the Honasa to purchase the Remaining Shares from the Promoter or reasonably be likely to have an adverse effect on the Remaining Consideration payable to the Promoter.
- (iv) The Promoter is in compliance with the regulations applicable in India against corruption and in compliance with the anti-corruption provisions of the Foreign Corrupt Practice Act (FCPA) of the United States of America applicable to them (collectively referred to as the "**Anticorruption Regulations**"). The Promoter has not breached any Applicable Law (including Applicable Law in relation to Tax, exchange control or anti-money laundering statutes and the rules and regulations thereunder) in connection with the consummation of the transactions contemplated under this Agreement.
- (v) The funds used by the Promoter to acquire the Remaining Shares held by such Promoter were not derived from any illicit source or activity.
- (vi) No part of the Remaining Consideration received by the Promoter under this Agreement will be used for purposes that contravene the anti-corruption regulations.
- (vii) The Promoter is selling his portion of the Remaining Shares of his own free will. Neither the Honasa nor the Company nor any of their respective agents has made any representation about the advisability of this decision or the existing or potential future value of the Remaining Shares, nor has any of them provided any advice to the Promoter regarding the value ascribed to the Remaining Shares. The Promoter has the capacity to protect his own interests in connection with the transactions contemplated by this Agreement, in relation to the relevant Remaining Shares, by reason of the relevant Promoter's business or financial experience or the business or financial experience of the relevant Promoter's professional advisors, and who are not compensated by the Company or the Honasa. The relevant Promoter hereby acknowledges that any future sale of share capital of the Company by the Company or other Persons could be at a premium or a discount to the value ascribed to the Remaining Shares under this Agreement, and such sale could occur at any time or not at all. The relevant Promoter acknowledges that (i) each Honasa and its agents currently may have, and later may come into possession of, information with respect to the Company that is not known to such relevant Promoter and that may be material to a decision to sell its portion of the Remaining Shares ("**Seller Excluded Information**") and (ii) such relevant Promoter has

determined to sell its portion of the Remaining Shares notwithstanding its lack of knowledge of the Seller Excluded Information.

## **Part B**

### **4. Tax Warranties**

- (i) The Promoter is and will remain a person resident in India for Tax purposes for the entire Financial Year in which completion takes place under the IT Act and is subject to Tax in India.
- (ii) The Promoter hereby agrees, undertakes and acknowledges that (a) any and all Taxes under Applicable Law in relation to the sale of the relevant Remaining Shares including capital gains tax on the sale of the relevant Remaining Shares shall be solely paid and borne by and be to his account (copy of any such Tax payments by the Seller shall be delivered to Honasa upon Honasa's request); and (b) based on this representation of the the Promoter, no withholding tax is required to be nor shall be deducted by Honasa under section 195 of the IT Act on the portion of the Remaining Consideration payable to the Promoter by Honasa in accordance with this Agreement.
- (iii) If any proceedings have been initiated by the relevant Governmental Authority under the IT Act and/or the CGST Act consequent to which the sale and Transfer of relevant Remaining Shares from the Promoter to Honasa as contemplated in this Agreement may be deemed to be void under the IT Act and/or the CGST Act then the Promoter shall immediately take any and all necessary actions to pay any Tax claim or other sum claimed against the Promoter to ensure that the sale and Transfer of the relevant Remaining Shares as provided under this Agreement is not declared void under such section 281 of the IT Act and/or the CGST Act. For avoidance of doubt, it is clarified that the purpose of this paragraph (iii) of Part B of Schedule 6 (*Remaining Share Sale Warranties*), is that the Promoter will always ensure that the sale and transfer of the Remaining Shares as contemplated in this Agreement is not declared void under such section 281 of the IT Act and/or the CGST Act. Further, the Promoter represents and warrants to Honasa that he is capable of meeting all his Tax claims and liabilities arising from any Tax proceedings pending against him under the IT Act and/or the CGST Act as on the Third Closing Date so as to ensure that the sale and Transfer of relevant Remaining Shares as contemplated in this Agreement is not declared void under such section 281 of the IT Act and/or the CGST Act.

**SCHEDULE 7  
CONDITIONS SUBSEQUENT**

**Part A(I): Post First Closing List**

1. The Company shall publish a grievance mechanism along with the name and contact details of the grievance officer on its website as required under Intermediary Guidelines and Digital Media Ethics Code Rules, 2021, within 30 (thirty) days from the Closing Date.
2. The Company shall appoint a point of contact to interface with CERT-In required under the Information Technology (Indian Computer Response Team and Manner of Performing Functions and Duties) Rules, 2013, within 60 (sixty) days from the Closing Date.
3. The Company shall implement either IS/ISO/IEC 27001 on “Information Technology-Security Techniques-Information Security Management System-Requirements” or other standards set by self-regulating industry associations or entities formed under these associations and have its security practices and procedures certified and audited by an independent auditor who is approved by the Central Government at least once every year as required under the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011, within 30 (thirty) days from the Closing Date.
4. The Company shall engage a third party who is authorised by the Reserve Bank of India for payment aggregation services in relation to its business of “Appreciation Jar” and shall keep the money collected for and on behalf of the content creators in escrow account.
5. The Company shall provide the final version of Tax Fair Valuation Report 1 within two months of First Closing Date to the Sellers and Honasa, basis the audited financials of the Company prepared as on the date of transfer of Sale Shares by the relevant Sellers to Honasa.
6. Within 30 days from the First Closing Date the Promoters shall ensure that the Company shall:
  - a. Start maintaining all registers, records, notices and undertake filings in accordance with Applicable Law with respect to labour compliance.
  - b. Pay statutory bonus to the employees who are eligible to receive such statutory bonus and ensure full compliance with the statutory requirements under Payment of Bonus Act, 1965.
  - c. Align the Company’s leave policy, leave accumulation and encashment practices with the provisions under the Punjab Shops and Commercial Establishments Act, 1958.
  - d. Give notice/ notice pay, if applicable, to the employees who are dismissed from service by the Company in accordance with the Punjab Shops and Commercial Establishments Act, 1958.

- e. Align the prevention of sexual harassment policy with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and file the necessary returns in accordance with such Act.
  - f. Align the maternity benefit policy and undertake all compliances under with the Maternity Benefit Act, 1961.
  - g. Formulate an equal opportunity policy and register the same with the concerned authorities in terms of the Rights of Persons with Disabilities Act, 2016 and comply with its other requirements.
  - h. Formulate an equal opportunity policy for transgender persons, appoint a complaints officer and display the details of the same in terms of the Transgender Persons (Protection of Rights) Act, 2019.
  - i. Start paying retrenchment compensation to its workman employees when they are retrenched and undertake other related compliances under the Industrial Disputes Act, 1947.
  - j. Constitute a grievance redressal committee if the Company and undertake other related compliances under the Industrial Disputes Act, 1947.
  - k. Comply with the requirements of the Industrial Employment (Standing Orders) Act, 1946.
  - l. Re-assess the Company's engagement with consultants to safeguard against any potential employment law non-compliance or default in the Company's tax deduction at source obligations.
  - m. Ensure compliance with all the requirements of the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011.
7. Within 2 (Two) Business Days from the First Closing Date, the Company shall deliver to the Honasa a certified true copy of Form MGT-14 and Form DIR – 12 duly filed with the RoC in connection with the amendment of the existing Charter Documents to conform to the Transaction Documents and appointment of Honasa nominated directors.
8. Within 2 (Two) Business Days from the First Closing Date, the Company shall deliver to the Honasa a certified true copy of Form PAS-3 duly filed with the RoC in connection with such issue and allotment of the Initial Subscription Shares to the Investor.
9. RBI Filings: The Company shall file, within the periods specified under Applicable Law (but in no event later than 30 (Thirty) days from the First Closing Date), with the RBI and the relevant authorised dealer bank all documents (including Form FC-GPR and FC-TRS as part of the Single Master Form) required to be filed in accordance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, and any other applicable notification or Applicable Law, and shall forthwith thereafter furnish copies of the same

(along with the acknowledgment of delivery to RBI or the other concerned authority) to Honasa. It is hereby agreed that the Non-Resident Seller shall provide all document as required by the Company for the purposes of completing any RBI related filing.

10. The Company shall within 15 (fifteen) days from the First Closing Date, maintain a record of the private placement offer in Form PAS-5 (in accordance with the Act).
11. Within 15 (fifteen) days from the First Closing Date, the Company shall, makes appropriate entries in the Company's statutory registers incorporating the name of Honasa as the holders of the Initial Subscription Shares and deliver to Honasa a certified true copy of the extracts of such statutory registers.
12. Within a period of 30 (thirty) days from the First Closing Date, the Company shall provide to Honasa copies of statutory registers maintained by the Company in accordance with the provisions of the Companies Act, 2013.
13. Appointment of Big Four Firm as an auditor of the Company within 30 days from the First Closing Date.
14. Appointment of a financial controller acceptable to Honasa within 60 (sixty) days from the First Closing Date.
15. Appointment of legal counsel/legal consultant acceptable to Honasa within 60 (sixty) days from the First Closing Date.
16. The Company shall within 45 (forty five) days from the First Closing Date obtain a registration certificate for the registered office in Delhi as required under the Delhi Shops and Establishment Act, 1954 and provide documentary evidence to Honasa.
17. The Company and the Promoters shall within 60 (sixty) days from the First Closing Date undertake such steps as suggested by Honasa in relation to maintenance of the minutes of the board and shareholders as prescribed under Companies Act, 2013 for the financial year from 2010 – 2015.
18. The Promoters shall cause the Company to invest the Initial Subscription Consideration in AAA debt liquid funds within 7 (seven) days from the First Closing Date.
19. The Promoter shall cause the Company to adopt an investment policy duly approved by the board of directors of the Company within 30 (thirty) days from the First Closing Date.

#### **PART A(II): Seller's Post First Closing List**

1. The relevant non- resident Seller shall file the Tax Return in India for the previous year (as defined in the IT Act) in which the First Closing, occurs within the due date prescribed under Applicable Law for filing of such Tax Return. The Tax Return filed by the relevant non-resident Seller in relation to the sale of the Sale Shares shall disclose the gains arising from the sale of such Sale Shares (the amount of which is not higher than the amount of capital gains as provided in the Tax Gain Computation Report). To the extent that the returns filed by the relevant non-resident Seller relate to the sale of the Sale Shares in

accordance with the terms of this Agreement, the relevant Seller shall not revise such part of the returns after the filing has been made with the concerned Tax Authorities without the prior written consent of Honasa. Upon receiving a request from Honasa, the relevant non-resident Seller shall provide a letter to Honasa confirming that such Tax Return has been filed by the relevant non-resident Seller in accordance with this Clause.

### **Part B: Post Second Closing List**

1. Within 2 (Two) Business Days from the Second Closing Date, the Company shall deliver to the Honasa a certified true copy of Form PAS-3 duly filed with the RoC in connection with such issue and allotment of the Final Subscription Shares to the Investor.
2. RBI Filings: The Company shall file, within the periods specified under Applicable Law (but in no event later than 30 (Thirty) days from the Second Closing Date), with the RBI and the relevant authorised dealer bank all documents (including Form FC-GPR as part of the Single Master Form) required to be filed in accordance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, and any other applicable notification or Applicable Law, and shall forthwith thereafter furnish copies of the same (along with the acknowledgment of delivery to RBI or the other concerned authority) to Honasa.
3. The Company shall within 15 (fifteen) days from the Second Closing Date, maintain a record of the private placement offer in Form PAS-5 (in accordance with the Act).
4. Within 15 (fifteen) days from the Second Closing Date, the Company shall, makes appropriate entries in the Company's statutory registers incorporating the name of Honasa as the holders of the Final Subscription Shares and deliver to Honasa a certified true copy of the extracts of such statutory registers.

### **Part C: Post Third Closing List**

1. The Company shall provide the final version of Tax Fair Valuation Report 1 within two months of Third Closing Date to the Sellers and Honasa, basis the audited financials of the Company prepared as on the date of transfer of Remaining Shares by the relevant Sellers to Honasa. Seller shall file the Tax Return in India for the previous year (as defined in the IT Act) in which the Third Closing, occurs within the due date prescribed under Applicable Law for filing of such Tax Return. The Tax Return filed by the Seller in relation to the sale of the Sale Shares shall disclose the gains arising from the sale of such Remaining Shares (the amount of which is not higher than the amount of capital gains as provided in the Tax Gain Computation Report). To the extent that the returns filed by Seller relate to the sale of the Sale Shares in accordance with the terms of this Agreement, the Seller shall not revise such part of the returns after the filing has been made with the concerned Tax Authorities without the prior written consent of Honasa. Upon receiving a request from Honasa, Seller shall provide a letter to Honasa confirming that such Tax Return has been filed by Seller in accordance with this paragraph. Provided that, this Third Closing item is to be fulfilled in the event the Promoter becomes a non-resident Seller.





## **SCHEDULE 8**

### **SPECIFIC INDEMNITY ITEM**

1. Any Loss arising due to any contravention and/or non-compliance in respect of stamping of the following agreements:
  - a) Master service agreement executed with Johnson & Johnson Private Limited dated October 15, 2019;
  - b) Service agreement executed with USV Private Limited dated September 6, 2021;
  - c) Service agreement executed with Mankind Pharma Limited dated July 20, 2021;
  - d) User agreement executed with ImageKit Private Limited dated January 29, 2020;
  - e) User agreement executed with ImageKit Private Limited dated March 1, 2021;
  - f) Service agreement executed with Cutting Edge Digital Private Limited dated February 11, 2020;
  - g) Software usage agreement executed with Roid Technologies Private Limited dated October 15, 2020;
  - h) Agreement with Searce in relation to google cloud platform usage dated December 6, 2017;
  - i) Services agreement executed with Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited dated December 1, 2020;
  - j) Services agreement executed with Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited dated June 2, 2020;
  - k) Payment solution agreement with One97 Communications Limited dated April 24, 2019;
  - l) Non-disclosure and confidentiality agreement executed with Roid Technologies Private Limited dated October 15, 2020;
  - m) Enterprise service agreement executed with Anamika Systems Private Limited dated April 1, 2019;
  - n) Master service agreement with Pubmatic;
  - o) Publisher agreement dated January 16, 2019 with Times Internet Limited;
  - p) Agreement dated March 24, 2021 amongst TLG India Private Limited, Convonix Systems Private Limited, Brandmap Communications Private Limited and the Company.
  - q) Amendment to enterprise service agreement executed with Anamika Systems Private Limited dated April 1, 2019 dated January 1, 2020;
  - r) Amendment to enterprise service agreement executed with Anamika Systems Private Limited dated April 1, 2019 dated January 1, 2021;
  - s) Amendment agreement to services agreement executed with Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited dated June 2, 2020 dated May 28, 2021; and
  - t) SaaS services agreement executed with TorcAI Digital Media Private Limited dated May 1, 2019.
2. Any Loss in respect of any liabilities arising due to non-compliance of the ongoing lease agreement dated June 16, 2021, with Indo Asia Leisure Services Limited.
3. Any loss in respect of any liabilities arising due to Suit No. 1221 of 2017 and Misc. Application bearing No. Misc/DJ/102/2021 filed by the Company before the Patiala House Court, New

Delhi in the matter of Just4Kids Services Private Limited vs. K12 Techno Services Private Limited.

4. Any Loss arising due to non-compliance of the following labour laws:
  - a. Employees' Provident Fund and Miscellaneous Provisions Act, 1952 with respect to capping the provident fund contribution with respect to employees joining in the middle of the month;
  - b. Employees' State Insurance Act, 1948 for non-contribution to insurance fund for the employees earning less than INR 21,000;
  - c. Punjab Labour Welfare Fund Act, 1965 in relation to non-maintenance of prescribed registers;
  - d. The Payment of Gratuity Act, 1972 in relation to accrued gratuity liability over and above INR 74,86,205 which is not provisioned for in the books of accounts of the Company;
  - e. Payment of Bonus Act, 1965 in relation to non-payment of bonus as prescribed to be paid;
  - f. Punjab Shops and Commercial Establishments Act, 1958 in relation to not providing notice pay for no cause involuntary terminations;
  - g. Maternity Benefit Act, 1961 with respect to not providing creche facilities and also not providing the benefit who are not directly engaged by the Company;
  - h. Rights of Persons with Disabilities Act, 2016 and Transgender Persons (Protection of Rights) Act, 2019 for not formulating and implementing an equal opportunity policy and compliant officer;
  - i. Industrial Disputes Act, 1947 for non-payment of retrenchment compensation and any other non-compliance as the Company does not comply with this law;
5. Any Loss in respect of the board minutes and shareholder minutes not maintained by the Company from 2010 to 2015 as prescribed under the Companies Act, 2013 and/or Companies Act, 1956, as the case may be;
6. Any loss in respect of any liabilities for delay in payment of stamp duty on the Securities issued by the Company, non-payment of applicable stamp duty in relation to Securities issued by the Company and non-payment of stamp duty on the share transfer forms.
7. Any Loss in respect of non-compliance of filing Form FC-GPR with respect to shares allotted to Deven Laxmichand Dedhia and filing of Foreign Liabilities and Assets form with the RBI;
8. Any loss in respect of any Tax costs (including withholding tax / any interest and / or penalty, surcharge and / or cess, by whatever name called), arising on account of the historic transfer pricing model of the Company.
9. Any loss in respect of any Tax costs (including any interest and / or penalty, surcharge and / or cess, by whatever name called) arising on account of any risk under Section 37 of the Income Tax Act, 1961.

10. Any loss in respect of any Tax costs (including any interest and / or penalty, surcharge and / or cess, by whatever name called) arising on account of any risk under Section 271-I of the Income Tax Act, 1961.

## **SCHEDULE 9 HONASA WARRANTIES**

Honasa represents and warrants that:

1. It is duly incorporated or organized and validly existing under the applicable laws of the jurisdiction of its incorporation or organization, having full corporate power and authority to enter into and perform its obligations under this Agreement, without any Authorization.
2. Its obligations under this Agreement are valid, binding and enforceable against it in accordance with the terms of this Agreement.
3. Its entry into and/or performance of or compliance with its obligations under this Agreement do not result in a breach of (i) any applicable law to which it is subject, or (ii) any agreement or order, judgment or decree of any court, Governmental Authority to which it is a party, or which is binding on it or its assets; or (iii) its constitutional/ charter documents.
4. There is no action, suit or proceeding pending against Honasa or, to its knowledge, threatened in any court or by or before any other authority which would prohibit its entering into or performing its obligations under this Agreement.
5. It is in compliance with the regulations applicable in India and elsewhere against corruption and in compliance with the anti-corruption provisions of the Foreign Corrupt Practice Act (FCPA) of the United States of America as applicable to it (collectively referred to as the "Anti-corruption Regulations"). Honasa has not breached any Applicable Law (including Applicable Law in relation to Tax, exchange control or anti-money laundering statutes and the rules and regulations thereunder) in connection with the consummation of the transactions contemplated under this Agreement.
6. The funds to be used by Honasa to acquire the Sale Shares, Remaining Sale Shares and subscribe to the Initial Subscription shares and Final Subscription shares in terms of this Agreement are not and will not be derived from any illicit source or activity.