

महाराष्ट्र शासन

GOVERNMENT OF MAHARASHTRA

ई-सुरक्षित बँक व कोषागार पावती

e-SECURED BANK & TREASURY RECEIPT (e-SBTR)

Bank/Branch: IBKL - 6910657/Malad Mumbai
Pmt Txn id : 717857747
Pmt DtTime : 18-OCT-2022@19:02:00
ChallanIdNo: 69103332022101852499
District : 7101-MUMBAI

19456438784612



Stationery No: 19456438784612
Print DtTime : 19-OCT-2022 09:57:13
GRAS GRN : MH009504488202223S
Office Name : IGR549-BOM4 JT SUB REGI
GRN Date : 18-Oct-2022@19:02:01

StDuty Schm: 0030045501-75/STAMP DUTY
StDuty Amt : R 6,01,500/- (Rs Six, Zero One, Five Zero Zero only)

RgnFee Schm: 0030063301-70/Registration Fees
RgnFee Amt : R 0/- (Rs Zero only)

Article : 5(h)(B)(vi)--Agreement-if not otherwise provided for
Prop Mubltly: N.A. Consideration: R 30,00,00,000/-
Prop Descr : Share Purchase Agreement

Duty Payer: PAN-AVKPS0571R,Aneesh Ashit Sheth

Other Party: PAN-AADCH9716L,Honasa Consumer Private Limited

Bank official1 Name & Signature

U. Venkata

यु वेंकट नरसम्मा
U. Venkata Narasamma
सहायक प्रबंधक/Assistant Manager
ईआईएन/EIN:135567

Bank official2 Name & Signature

N. K. Baranwal

N. K. KUMAR BARANWAL
प्रबंधक/Manager
सेवा एवं परिचालन प्रबंधक/SOM
ईआईएन/EIN:115506



--- Space for customer/Official use --- Below this line ---

SHARE PURCHASE AGREEMENT

ANEESH SHETH

(SELLER)

AND

HONASA CONSUMER PRIVATE LIMITED

(PURCHASER)

AND

FUSION COSMECEUTICS PRIVATE LIMITED

(COMPANY)

20 OCTOBER 2022

INDEX

1. DEFINITIONS & INTERPRETATION.....	3
2. SALE & PURCHASE OF SALE SHARES	9
3. CONDITIONS	9
4. COMPLETION.....	10
5. WARRANTIES	11
6. INDEMNIFICATION	12
7. CONFIDENTIALITY.....	13
8. NOTICES.....	14
9. FEES AND EXPENSES.....	14
10. TERMINATION.....	15
11. GOVERNING LAW	15
12. DISPUTE RESOLUTION	15
13. MISCELLANEOUS.....	16
SCHEDULE 1	19
SCHEDULE 2	20
SCHEDULE 3	37
SCHEDULE 4	39
SCHEDULE 5	40
SCHEDULE 6	42
SCHEDULE 7	43
SCHEDULE 8	45
SCHEDULE 9	47
SCHEDULE 10	48
SCHEDULE 11	49

[Remainder of the page intentionally left blank]

SHARE PURCHASE AGREEMENT

This Agreement is made on this, the 20th day of October, 2022 at Mumbai among:

1. **ANEESH SHETH**, having PAN number AVKPS0571R, and currently residing at 604 Monica Bldg, Fazal Road, Cuffe Parade, Mumbai - 400095 (hereinafter referred to as the "**Seller**" which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors-in-interest and permitted assigns);

AND

2. **HONASA CONSUMER PRIVATE LIMITED**, a private limited company duly incorporated under the laws of India, with its registered office at 432, 4th Floor, Somdutt Chamber 2, Bhikaji Cama Place, New Delhi - 110066 (hereinafter referred to as "**Purchaser**" which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);

AND

3. **FUSION COSMECEUTICS PRIVATE LIMITED**, a company incorporated under the Companies Act, 1956 and having its registered office at 106 Maker Bhavan III, New Marine Lanes, Mumbai, Maharashtra, India, 400020, (hereinafter referred to as "**Company**" which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns).

*(The Seller, the Purchaser and the Company are hereinafter individually referred to as a "**Party**" and collectively as the "**Parties**").*

RECITALS:

WHEREAS:

- A. The Company is engaged in the business of ideate, research, develop, test, market, promote through online advertising and content creation and retail dermatologically formulated consumer human skincare and haircare topical and ingestible cosmetic products for Indian skin distributed through direct to consumer and online and offline marketplace channels ("**Business**").
- B. The authorised share capital of the Company is INR 2,05,10,000 (Indian Rupees Two Crore Five Lakhs Ten Thousand only) divided into 1,16,50,000 (One Crore Sixteen Lakhs Fifty Thousand) Equity Shares (*as defined below*) and 88,60,000 (Eighty Eight Lakhs Sixty Thousand) CCCPS (*as defined below*).
- C. The issued and paid-up share capital of the Company is INR 1,88,51,480 (Indian Rupees One Crore Eighty Eight Lakhs Fifty One Thousand Four Hundred and Eighty) divided into 10,00,045 (Ten Lakh and Forty-Five) Equity Shares and 8,85,103 (Eight Lakh Eighty Five Thousand One Hundred and Three) CCCPS.

- D. The Seller is the registered, absolute legal and beneficial owners of the Sale Shares (*as defined below*). The shareholding pattern of the Company as of the Execution Date is more particularly set out in Part A of SCHEDULE 2 (*Shareholding Pattern of the Company*).
- E. The Company and the Purchaser and certain erstwhile shareholders entered into a share subscription cum share purchase agreement dated 17 February, 2022 ("**SSSPA**") pursuant to which the Purchaser subscribed to Subscription Shares (*as defined in the SSSPA*) and have agreed to purchase the Sale Shares (*as defined in the SSSPA*) in two tranches in accordance with the terms and conditions set out therein.
- F. The Parties have completed the purchase of First Tranche Sale Shares (*as defined in the SSSPA*) in the manner set out therein, and the Second Tranche Sale Shares (*as defined in the SSSPA*) were to be purchased within 18 (eighteen) months from the First Tranche Closing Date (*as defined in the SSSPA*). The Parties have now mutually agreed that the Purchaser will acquire Second Tranche Sale Shares prior to the Second Tranche Completion Date (*as defined in the SSSPA*) in accordance with the terms and conditions herein.
- G. The Parties agree that upon execution of this Agreement, the future obligation of the Purchaser to purchase and the Seller to sell the Sale Shares under the SSSPA shall stand terminated.
- H. The Parties have also entered into amendment agreement dated 11th August 2022 to amend certain clauses of the Shareholders Agreement to reflect the correct shareholding of the Seller and the Purchaser.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS & INTERPRETATION

1.1 Definitions

In addition to terms defined elsewhere in this Agreement, the terms set out in this Clause 1.1 shall, when capitalised, have the meanings ascribed to them therein.

"**Accounts**" mean the unaudited financial statements of the Company, comprising of the balance sheet, profit and loss account and cash flow statement of the Company, prepared in accordance with Indian GAAP up till March 31, 2022 and in accordance with Indian GAAP until the Accounts Date, along with the notes therein as of the Accounts Date.

"**Accounts Date**" means 31 August 2022.

"**Affiliate**" means, in relation to a party which is:

- (a) an entity, any other person that, either directly or indirectly through one or more intermediate persons, controls, is controlled by or is under common control with such party. For purposes of this definition and this Agreement, "**control**" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of any entity, whether

through the ownership of voting securities, by contract or otherwise and the term "**controlled**" shall be construed accordingly. For the avoidance of doubt, a party would be understood to control any other person if such party owns 50 per cent. or more of the voting capital of such person; and

(b) a Relative.

"**Agreement**" means this share purchase agreement, as may be amended from time to time.

"**Articles**" mean the articles of association of the Company.

"**Assets**" mean assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise), including cash, cash equivalents, receivables, real estate, plant and machinery, equipment, proprietary rights, raw materials, inventory, furniture, fixtures and insurance.

"**Board**" means the board of directors of the Company.

"**Business Day**" means a day (excluding Saturdays and Sundays) on which banks in Mumbai, Gurugram and Delhi, India are generally open for the transaction of normal banking business.

"**CCCPS**" compulsorily cumulative convertible preference shares of INR 1 (Indian Rupee One) each, which shall have the terms as set out in the Shareholders Agreement.

"**Charter Documents**" shall mean Articles and memorandum of association of the Company.

"**Claim**" means a claim by a Purchaser Indemnified Party pursuant to Clause 6.1.

"**Companies Act**" means the (Indian) Companies Act, 2013, as amended from time to time.

"**Company Warranties**" mean the warranties given by the Sellers pursuant to Clause 5.1 of the Agreement, in the form set out in Part A of SCHEDULE 3.

"**Completion**" has the meaning ascribed to it under Clause 4.1.

"**Completion Date**" has the meaning ascribed to it under Clause 4.1.

"**Confidential Information**" has the meaning ascribed to it in Clause 7.1.

"**Disclosure Letter**" means as of the Execution Date, together with the attachments thereto, addressed by the Seller to the Purchaser, disclosing exceptions to the Company Warranties, and shall include the Updated Disclosure Letter.

"**Dispute**" means any dispute, difference, controversy, or claim arising out of or relating to this Agreement including any question regarding its existence, validity or termination.

"**Encumbrance**" means any form of legal or equitable security interest, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, title retention, right to acquire, lease, sub-lease, license, voting agreement, security interest, hypothecation, option, right of first refusal, restrictions or limitation, purchase agreement, any preference arrangement (including title transfers and retention arrangements or otherwise) and any other encumbrance or similar condition whatsoever or an agreement to do any of the foregoing or any other arrangements having similar effect.

"**Equity Shares**" means the equity shares of the Company with a face value of INR 10 (Indian Rupees Ten) each.

"**Execution Date**" means 20 October 2022, the date of execution of this Agreement.

"**FEMA**" shall mean Foreign Exchange Management Act, 1999, as amended from time to time.

"**Financial Year**" or "**FY**" shall mean the period commencing from April 1 of each calendar year and ending on March 31 of the immediately succeeding calendar year.

"**Fundamental Warranties**" mean the warranties of the Seller as set out in Paragraphs 1 and 2 of Part A - Company Warranties and Part B - Sellers' Warranties, as set out in SCHEDULE 3.

"**Governmental Authority**" means any government, any state or other political subdivision thereof, and includes any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, or any other Governmental Authority, agency, department, board, commission or instrumentality of India and/or any jurisdiction in which the Company conducts Business, or any political subdivision thereof, and any court, tribunal or arbitrator(s) of competent jurisdiction, and, any governmental organisation, agency or authority.

"**Indebtedness**" of any person means all indebtedness including (a) all obligations of such person for borrowed money or with respect to advances of any kind; and (b) all binding indemnities, guarantees and sureties by such person, whether in connection with such borrowing or advances or otherwise.

"**Indian GAAP**" means the Indian generally accepted accounting principles and practices, applied on a consistent basis.

"**Intellectual Property**" means and includes the full rights to and full benefit of all patents, trade and other marks registered designs, copyrights, trade and business names, logos, marks, slogan, internet domain names (together with all goodwill associated with each of the foregoing), supply, distributorship, agency and other like agreements, inventions, discoveries, improvements, designs, techniques, rights in databases and documentation, computer programs, proprietary computer software and other confidential processes and information, trade secrets and Know-how, all other intellectual property rights and registrations, applications and renewals for any of those rights (where such registration, applications or renewals can be made) and any licenses in respect of any of the foregoing or in connection with any of the same.

"**IT Act**" means the Income Tax Act, 1961 to the extent notified, and as amended, modified or replaced from time to time by the Governmental Authority.

"**Know-how**" means confidential industrial and confidential commercial information and techniques in any form, including drawings, formulae, test results, reports, project reports, and testing procedures, plans, instruction and training manuals, tables of operating conditions, market forecasts, lists and particulars of customers and suppliers.

"**Law(s)**" means all laws, ordinances, statutes, rules, orders, decrees, injunctions, licenses, permits, approvals, authorisations, consents, waivers, privileges, agreements and regulations of any Governmental Authority having jurisdiction over the relevant matter as such are in effect as of the date hereof or as may be amended, modified, enacted or revoked from time to time hereafter.

"**Liabilities**" mean a demand, action or proceeding made or brought by or against a person, losses, liabilities, costs, taxes, damages, interests and penalties with respect thereto and out-of-pocket expenses, including attorneys' and accountants' fees and disbursements, however arising.

"**Long Stop Date**" means November 30, 2022, or any other date mutually agreed between the Seller and the Purchaser.

"**Losses**" mean all losses, Liabilities, costs (including reasonable legal costs and experts' and consultants' reasonable fees), charges, expenses, actions, proceedings, claims and demands but does not include any remote, consequential, indirect or incidental Losses arising out of or in connection with this Agreement.

"**Material Adverse Effect**" means an event, circumstance, change, effect, or occurrence which is materially adverse to the Business of the Company, financial condition, assets, liabilities of the Business or materially impairs the ability of the Seller or the Company to perform its obligations under this Agreement or to consummate the transactions contemplated under this Agreement in accordance with the timelines specified in this Agreement.

"**Non-Compete Period**" means, with respect to the Seller, the period commencing from the Execution Date and extending till the expiry of 30 months (Thirty Months) from the Completion Date.

"**Ordinary Course**" means the ordinary and usual course of the day-to-day business operations carried out by the Company, which is consistent with past practice, in accordance with Law and which does not require the authorization of the shareholders of the Company.

"**Purchase Consideration**" means the means INR 30,00,00,000 (Indian Rupees Thirty Crores).

"**Purchaser Indemnified Party**" has the meaning ascribed to it Clause 6.1.

"**Purchaser's Directors**" mean the directors nominated by the Purchaser, from time to time.

"**Purchaser's Nominee**" means a Person nominated by the Purchaser who will, on behalf of the Purchaser, hold 1 (One) Equity Share of the Company on the Completion Date.

"**Purchaser's Warranties**" mean the warranties given by the Purchaser pursuant to Clause 5.3 of the Agreement, as set out in SCHEDULE 4.

"**Related Party**" has the meaning ascribed to it under the Companies Act.

"**Relative**" has the meaning ascribed to it under the Companies Act.

"**Sale Shares**" means the number of shares that the Seller shall transfer to the Purchaser on the Completion Date, as set out in Part B of SCHEDULE 1.

"**Securities**" mean the equity capital, Equity Shares, membership interests or other ownership interests of the Company or any options, warrants, rights or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such equity capital.

"**Seller's Bank Account**" means the bank account of the Seller as set out in Part A of SCHEDULE 1.

"**Seller Warranties**" mean the warranties given by the Seller pursuant to Clause 5.2 of the Agreement, as set out in Part B of SCHEDULE 3.

"**Shareholders**" shall mean, from time to time, Persons in whose name shares are registered in the Company's register of members or in the records of the depository, collectively, and Shareholder means any one of such parties individually.

"**Skin and Hair Centres**" shall have the meaning as given to it under SCHEDULE 10.

"**Tax Authority**" means any Governmental Authority competent to impose any liability and/or exemption in respect of Taxation or responsible for the administration and/or collection of Taxation or enforcement of any Law in relation to Taxation.

"**Tax**" or "**Taxes**" or "**Taxation**" means any tax, cess and any duty, contribution, impost, withholding, levy or charge in the nature of tax, whether domestic or foreign, and any fine, penalty, surcharge or interest connected therewith and includes corporation tax, income tax (including income tax required to be deducted or withheld from or accounted for in respect of any payment), and social security contributions, capital gains tax, inheritance tax, goods and services tax, dividend distribution tax, fringe benefit tax, luxury tax, professional tax, customs excise and import duties, stamp duty, and governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or penalty thereon and additions thereto, imposed by any Tax Authority.

"**Transaction**" means the sale of the Sale Shares by the Seller to the Purchaser, together with all other transactions contemplated under this Agreement and any Transaction Document.

"**Transaction Documents**" mean this Agreement, with any other documents executed by the Parties and identified as a Transaction Document.

“Updated Disclosure Letter” means the updates to the Disclosure Letter to be made in accordance with Clause 5.5.

"Warranty(ies)" means cumulatively the Company Warranties and the Sellers' Warranties given pursuant to Clause 5.

1.2 Interpretation

In this Agreement, unless otherwise expressly specified, a reference to:

- (a) a document in the **"agreed terms"** is a reference to that document in the form approved and, for the purposes of identification, signed by or on behalf of each party;
- (b) **"includes"** and **"including"** mean including without limitation;
- (c) a **"party"** means a party to this Agreement and includes its permitted assignees (if any) and/or the successors in title to that part of its undertaking which includes this Agreement;
- (d) a **"person"** includes any person, individual, company, firm, corporation, partnership, limited liability company, government, state or agency of a state or any undertaking (whether or not having separate legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
- (e) a **"statute"** or **"accounting standard"** or any of their provisions is to be construed as a reference to that statute or accounting standard or such provision as the same may have been amended or re-enacted before the Execution Date;
- (f) **"Clauses"** or **"Schedules"** or **“Paragraphs”** are references to clauses, schedules and paragraphs to this Agreement;
- (g) **"writing"** includes any method of representing words in a legible form (other than writing on an electronic or visual display screen) or other writing in non-transitory form;
- (h) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; and
- (i) the headings and sub-headings in this Agreement are included for information only and will not affect the construction of this Agreement.
- (j) The schedules form part of the operative provisions of this Agreement and references to this Agreement shall, unless the context otherwise requires, include references to the schedules.

2. SALE & PURCHASE OF SALE SHARES

- 2.1 Subject to Clause 3 and in accordance with other terms of this Agreement, on the Completion Date, the Purchaser relying on the Warranties, undertakings and indemnities of the Warrantors as set out in this Agreement, hereby agrees to purchase from the Seller, and the Seller agrees to sell to the Purchaser, the Sale Shares, free and clear of all Encumbrances and together with all the rights, title, interest and benefits appertaining to the Sale Shares for which the Purchaser shall pay the Purchase Consideration to the Seller's Bank Account.
- 2.2 The Purchase Consideration for such sale and purchase of the Sale Shares shall be satisfied in cash on Completion.

3. CONDITIONS

- 3.1 **Conditions to Completion.** The obligation of the Purchaser to purchase the Sale Shares from the Seller is subject to the fulfilment of the Conditions enlisted in SCHEDULE 5 ("**Conditions**"). Notwithstanding anything contained elsewhere in the Agreement, the Purchaser shall have the right at its sole discretion to waive any of the Conditions by notification to the Company, to the extent the Condition can be waived under Law. The Purchaser and the Seller may mutually agree that such Conditions be treated as a post-closing actions (to the extent practicable) and are performed within such period as the Purchaser and the Seller may mutually agree.
- 3.2 Upon satisfaction of the Conditions to Completion as set out in SCHEDULE 5, the Seller and the Company shall promptly send a certificate in a form as set out in SCHEDULE 6 (*Form of CP Confirmation Certificate*) to the Purchaser along with the copies of necessary documents evidencing such fulfilment of the Conditions ("**CP Confirmation Certificate**").
- 3.3 Within 7 (seven) Business Days of receipt of the CP Confirmation Certificate, the Purchaser shall deliver a written notice to the Company and the Seller either (i) confirming its satisfaction of the Conditions in the form set out in Part A of SCHEDULE 7 ("**CP Fulfilment Notice**"); or (ii) informing the Company and the Seller that it is not satisfied with the CP Confirmation Certificate, along with the reasons for the same, and calling upon them to complete the remaining Conditions in the form set out in Part B of SCHEDULE 7 ("**CP Rejection Notice**"). If the Purchaser delivers a CP Rejection Notice, the process set out in Clauses 3.2 and Clause 3.3 shall apply again until the Long Stop Date.
- 3.4 **Long Stop Date.** Subject to Clause 3.1, the Seller and the Company shall ensure that the Conditions are completed to the satisfaction of the Purchaser at the earliest, and in all cases prior to the Long Stop Date, failing which, either Party shall have the option to terminate the Agreement as provided under Clause 10.
- 3.5 Period prior to Completion Date.
- 3.5.1 Subject to clause 3.5.2, from the Execution Date and the Completion Date, the Seller shall exercise all its rights in a manner that the Company shall:
- (a) operate its Business and carry out its activities in the Ordinary Course;

- (b) preserve intact its relationships with its customers, suppliers, employees and other having business dealings with to ensure its goodwill and Business shall be unimpaired post Completion; and
- (c) comply with each of the undertakings set out in Business is carried out in accordance with the matters specified in schedule 8.

3.5.2 Clause 3.5.1 shall not operate so as to restrict or prevent:

- (a) occurrence of any matter in violation of Clause 3.5.1 above, despite the Seller exercising all its rights in accordance with Clause 3.5.1.
- (b) any matter contemplated in this Agreement or the other Transaction Documents;
- (c) any matter undertaken at the written request, or with the written consent (not to be unreasonably withheld), of the Purchaser;
- (d) any compliance required by Law or any Governmental Authority; and
- (e) payment of any due and payable amount of, or in respect of, any Tax (in the Ordinary Course).

4. **COMPLETION**

4.1 The consummation of the sale and purchase of the Sale Shares (i.e., the “**Completion**”) shall take place on the 7th (seventh) Business Day (“**Completion Date**”) following the date of issuance of the CP Fulfilment Notice at such place or manner as may be jointly agreed between the Purchaser and the Seller, or such other date as may be mutually agreed between the Seller and the Purchaser. Unless otherwise agreed in writing by the Parties, neither the Purchaser nor the Seller shall be obliged to complete the transactions set out in this Agreement unless all actions contemplated under this Clause 4 are completed simultaneously on the Completion Date in accordance with the terms of this Agreement.

4.2 Immediately following the purchase of the Sale Shares, the shareholding pattern of the Company will be as set out in Part B of SCHEDULE 2.

4.3 On the Completion Date:

- (a) the Purchaser shall remit the Purchase Consideration to the Seller's Bank Account, as per the details provided in Part A and Part B of SCHEDULE 1;
- (b) simultaneously with the remittance of the Purchase Consideration, the Seller shall deliver the following documents to the Purchaser:
 - (i) delivery of resignation letter from the Seller as the director of the Company;

- (ii) a duly executed form SH-4 for transfer of the Sale Shares along with the original share certificate representing the Sale Shares;
- (c) the Company shall convene a meeting of the Board and adopt the necessary resolutions for:
 - (i) subject to approval of Shareholders, approving and adopting the amended and restated Articles;
 - (ii) convening an extra-ordinary general meeting of the Shareholders at a shorter notice for undertaking the actions mentioned in clause 4.4 below;
 - (iii) taking on record the transfer of the Sale Shares from the Seller to the Purchaser and to the Purchaser's Nominee;
 - (iv) entering the Purchaser's name in the register of members of the Company as the owner of the Sale Shares;
 - (v) taking on record the resignation of the Seller and recording the cessation of his directorships in the register of directors in accordance with the resignation letter provided under Clause 4.3(b)(i).
- (d) The Company shall file Form DIR-12 with the relevant Registrar of Companies, in relation to the resignation of the Seller.
- (e) On the Completion Date, the Seller and the Company shall execute a trademark license agreement on mutually acceptable terms pursuant to which the Company shall provide to the Seller a royalty free and non-transferable/non assignable license to use, on a perpetual basis, the trademark "Dr. Sheth's" solely in connection with operating the Skin and Hair Clinic Centres. The Seller undertakes that it will not use the trademark "Dr. Sheth's" for any other purpose whatsoever including for any other additional service/business.

4.4 The Parties shall have terminated the Shareholders' Agreement effective from the Completion Date.

4.5 The Company shall cause an extra-ordinary general meeting of the Shareholders to be held at a shorter notice on the Completion Date, at which the resolution approving the amendments to the Articles, and adopting the amended and restated Articles shall have been passed.

4.6 The obligations of each of the Parties in this Clause 4 is interdependent on each other. The Completion shall not occur unless all of the obligations specified in this Clause 4 are complied with and are fully effective.

5. **WARRANTIES**

5.1 Except as specifically disclosed to the Purchaser in the Disclosure Letter, the Seller represents to the Purchaser that the Company Warranties are true, correct and accurate as of the Execution Date and will be true, complete, accurate and not misleading on the Completion Date.

- 5.2 The Seller hereby represents and warrants that each of the Seller Warranties is true, correct and accurate as of the Execution Date and will be true, complete, accurate and not misleading at Completion.
- 5.3 The Purchaser warrants to the Seller in the terms of the Purchaser's Warranties that each of the Purchaser's Warranties is true, correct and accurate as of the Execution Date and will be true, complete, accurate and not misleading at Completion.
- 5.4 The Seller acknowledges that, in entering into this Agreement, the Purchaser has relied upon the Warranties. Subject to Clause 5.5, the Purchaser will have the right to make a claim for breach of any Warranties whether or not it has, prior to date hereof, has or could have discovered (whether by any investigation made by it or on its behalf, into the affairs of the Company) that any Warranty is untrue, inaccurate or misleading.
- 5.5 The Seller shall be entitled to update the Disclosure Letter, 5 (five) days prior to the Completion Date, for any event occurring between the Execution Date and the date of the Updated Disclosure Letter, provided any such updated disclosures must be agreeable to the Purchaser and shall not relate to Fundamental Warranties. If any such disclosures are not acceptable to the Purchaser, the Parties shall mutually discuss and agree on the mechanism to deal with such additional disclosures. If the Parties are unable to determine the manner in which such additional disclosures are to be dealt with within a period of 5 (five) Business Days from the delivery of the additional disclosures (or such extended period as may be agreed between the Parties), then either Party may terminate the Agreement.

6. INDEMNIFICATION

- 6.1 The Seller undertakes to indemnify, defend and hold harmless (and keep at all times fully indemnified and harmless) the Company, the Purchaser, Purchaser's Nominee and their officers, directors and employees (individually, a "**Purchaser Indemnified Party**" and, collectively, the "**Purchaser Indemnified Parties**") and shall pay (in accordance with the provisions hereof) to the Purchaser Indemnified Party an amount equal to, any and all Losses suffered or incurred by the Purchaser Indemnified Party as a result of:
- (a) any breach of the Company Warranties;
 - (b) any Claim against the Purchaser Indemnified Parties arising due to fraud or gross negligence or wilful misconduct.

For avoidance of doubt it is clarified that the disclosures set out in the Disclosure Letter shall not qualify or limit the Fundamental Warranties.

- 6.2 The Seller shall indemnify and hold harmless the Purchaser Indemnified Party against, and shall pay in the manner provided herein, to the Purchaser an amount equal to, any and all Losses suffered or incurred by the Purchaser Indemnified Party as a result of any breach of a Seller's Warranty by the Seller or any obligation of the Seller under this Agreement.

- 6.3 For the purposes of seeking indemnification under this Clause 6, the Parties agree that if the Company suffers or incurs any Loss arising out of or resulting from the matters set forth in this Clause 6 then such Loss shall be deemed to be a Loss to the Purchaser, to the extent of the Purchaser's shareholding in the Company.
- 6.4 The rights of the Purchaser Indemnified Parties pursuant to this Clause 6 shall be the sole monetary remedy in relation to the matters covered under this Clause 6.
- 6.5 The obligations under this Clause 6 shall be governed by, and subject to the provisions of SCHEDULE 11.

7. CONFIDENTIALITY

- 7.1 Each Party shall keep all information relating to the transactions contemplated under this Agreement and also in relation to the Company (including all information concerning the Business and financial arrangements relating to the Company) hereunder (collectively referred to as the "**Confidential Information**") confidential, and shall not without the prior written consent of the disclosing party, divulge the Confidential Information to any other person or use the Confidential Information other than for carrying out the purposes of this Agreement.
- 7.2 Nothing in Clause 7.1 above shall restrict the Parties from disclosing Confidential Information for the following purposes:
- (a) the disclosure or use is required by Law, or any recognised stock exchange on which the shares of any Party are listed or is required by any Governmental Authority having jurisdiction over either Party;
 - (b) the disclosure or use is required for the purpose of any judicial proceedings arising out of this Agreement or any other agreement entered into under or pursuant to this Agreement or the disclosure is required to be made to a Tax Authority in connection with the Tax affairs of the disclosing party;
 - (c) the disclosure is made to professional advisers or actual or potential financiers of any party on a need-to-know basis and on terms that such professional advisers or actual or potential financiers undertake to comply with the provisions of Clause 7.1 in respect of such information as if they were a party to this Agreement;
 - (d) the information is or becomes publicly available (other than by breach of the of this Agreement); or
 - (e) the other Party has given prior written approval to the disclosure or use.
- 7.3 No formal or informal public announcement or press release or other announcement, which makes reference to any Party or the terms and conditions of this Agreement or any of the matters referred

to herein, shall be made or issued by or on behalf of any Party (including to its employees) without each other Party's prior written consent.

8. NOTICES

- 8.1 All notices under this Agreement shall be written in English and shall be sent by hand or by courier or postal service (with delivery receipt) or by e-mail sent to the specified e-mail address of the applicable party, marked to the attention of designated person at the contact details indicated below or to such other address as a party shall designate by similarly giving notice to the other parties. Notwithstanding the foregoing, no notice shall be deemed to be duly served unless a copy of such notice is delivered by email as well.

If to the Seller:

Address: 604 Monica Bldg, Fazal Road, Cuffe Parade, Mumbai 400095
Attention: Aneesh Sheth
Email: aneesh@drsheths.com

If to the Company:

Address: 106 Maker Bhavan III, New Marine Lanes, Mumbai, Maharashtra, India, 400020
Attention: Ramanpreet Sohi
Email: raman.s@mamaearth.in

If to the Purchaser:

Address: 4th Floor BLM tower, Plot no. 63, Sector 44, Gurgaon.
Attention: Ramanpreet Sohi
Email: raman.s@mamaearth.in

- 8.2 A Party may change or supplement the addresses given above, or designate additional addresses, for purposes of Clause 8.1, by giving the other Parties written notice of the new address in the manner set forth in this Clause.
- 8.3 Any notice so served shall be deemed to have been duly given (i) in case of delivery by hand, when hand delivered to the other Party; or (ii) when delivered by courier or by any postal service that provides a receipt of delivery on the date contained in the delivery receipt that the sending Party receives from the delivery service provider; (iii) if sent by registered air mail, be deemed to be received by the addressee 4 (four) Business Days after the same is dispatched; and (iv) if sent by e-mail, 24 (twenty-four) hours after the e-mail is sent by a Party to the other Party at the specified e-mail addresses.

9. FEES AND EXPENSES

Each Party agrees that it shall bear by itself all costs and expenses incurred by it in connection with any discussions, negotiations and investigations undertaken in connection with the subject matter hereof, including without limitation costs and expenses associated with retention of financial, legal,

tax and other professional advisers. The stamp duty on the Agreement and transfer of the Sale Shares will be borne equally by the Seller and the Purchaser. Provided however, that each Party will be responsible for bearing its own Taxes levied on its income.

10. TERMINATION

10.1 This Agreement shall be effective from the Execution Date and shall continue to be valid and in full force and effect, unless terminated earlier in accordance with Clause 10.2 below.

10.2 This Agreement may be terminated:

(a) by mutual written consent of the Parties;

(b) by either Party, upon expiry of the Long Stop Date, in accordance with Clause 3.4 above.

10.3 If this Agreement terminates in accordance with Clause 10.2 above, then, the obligations of the Parties shall automatically terminate, save that the rights and liabilities of the Parties which have accrued prior to termination shall continue to subsist. The provisions of Clauses 7 (*Confidentiality*), 8 (*Notices*), 10 (*Termination*), 11 (*Governing Law*), 12 (*Dispute Resolution*) and 13 (*Miscellaneous*) shall survive the termination of this Agreement.

11. GOVERNING LAW

11.1 This Agreement shall be governed by and construed in accordance with the substantive laws of India without giving effect to the principles of conflict of laws thereunder.

12. DISPUTE RESOLUTION

12.1 In case of any Dispute, the Parties shall attempt to first resolve such dispute through discussions between the senior executives of the parties. If the Dispute is not resolved through negotiation within 30 (thirty) days after one Party has served notice on the other Party, then the Dispute shall be resolved in accordance with the provisions of Clause 12.2 below.

12.2 In the event that the Parties are unable to resolve a Dispute as provided in Clause 12.1 above, the Dispute shall be referred to and finally resolved by arbitration in accordance with the Indian Arbitration and Conciliation Act, 1996. The arbitral tribunal shall consist of 3 (three) arbitrators, one to be appointed by the claimant, the second to be appointed by the respondent, and the third to be appointed by the 2 (two) arbitrators so appointed. It is hereby clarified that prior to the Completion, the Company and the Seller shall at all times be considered to be one disputing party for the purposes of appointment of the arbitrators hereof.

12.3 All proceedings of such arbitration shall be in the English language. The venue of the arbitration shall be Delhi and the governing law of the arbitration shall be the laws of India. The costs of the arbitration shall be borne by the disputing parties equally, unless the arbitrators direct otherwise in their arbitral award.

13. MISCELLANEOUS

13.1 Non-Compete and Non-Solicitation

- (a) The Seller shall not during the Non-Compete Period: (i) carry on or engage in, directly or indirectly, whether through their Relatives, partnership, or as a shareholder, joint venture partner, advisor, trustee, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes with or is similar to the whole or any part of the Business or any other activity included in the definition of 'Business'; (ii) assume management or lead responsibility in any other business similar to the whole or any part of the Business; and (iii) set up, solicit business on behalf of, guarantee any obligations of, or have any ownership interests in any business which is competing with the Business of the Company. For avoidance of doubt, it is clarified that the non-compete restrictions applicable to the Seller are set out in Clause 13.1(a) and the restrictions set out herein above shall not in any manner act as a limitation on the Seller: (i) to continue operating the Skin and Hair Clinic Centres; and (ii) to invest in other companies, subject to a threshold of 2% (two per cent) of total shareholding. However, it is clarified that the Seller shall not be entitled to take up any role or advisory positions in such companies.
- (b) The Seller covenants and agrees that during the Non-Compete Period, it will not, directly or indirectly, whether through their Relatives, partnership, or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever:
- (i) attempt in any manner to solicit, induce, encourage or attempt to solicit, induce or encourage any Person, firm or entity which is a client or customer of the Company, except on behalf of the Company, to cease doing business or to reduce the amount of business which any such client/customer has customarily done or might propose doing with the Company; or
 - (ii) employ or attempt to employ or assist anyone else to employ any Person who is in the employment of the Company.

13.2 No Partnership

Nothing contained in this Agreement shall constitute or be deemed to constitute a partnership or association of persons between the Parties, and no Party shall hold himself out as an agent for the other party, except with the express prior written consent of the other Party.

13.3 Remedies, Waivers, Amendments and Consents

- (a) Unless otherwise provided for in this Agreement, no failure on the part of any Party to exercise, and no delay on its part in exercising, any right or remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. Except as provided herein, the rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by Law.

- (b) Any provision of this Agreement may be amended only if all Parties hereto so agree in writing. Any waiver, and any consent by any of the parties under any provision of this Agreement, must be in writing and may be given subject to any conditions thought fit by the person giving that waiver or consent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

13.4 **Entire Agreement**

This Agreement (together with any other documents referred to herein or therein, including the Transaction Documents) constitutes the whole agreement between the Parties relating to the subject matter hereof and supersedes any prior agreements or understandings relating to such subject matter.

13.5 **Successors Bound**

This Agreement shall be binding on and shall inure for the benefit of the successors and assigns of each of the Parties hereto as specified in the title Clause of this Agreement.

13.6 **Severability**

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

13.7 **Counterparts**

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

13.8 **Time and Duration**

- (a) Any date or period as set out in any Clause of this Agreement may be extended with the written consent of the parties failing which, time shall be of the essence.
- (b) This Agreement shall take effect from the Execution Date and continue thereafter without limit in point of time till the Agreement is terminated in accordance with the provisions of this Agreement.

13.9 **Good Faith**

Each Party hereto undertakes to do, in good faith, all things reasonably within its power which are necessary or desirable to give effect to the spirit and intent of this Agreement.

13.10 **Independent Rights**

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

13.11 **Assignment**

Subject to the provisions of this Agreement, this Agreement is personal to the Parties and shall not be capable of assignment.


13.12 **Invalidity**

Any provision of this Agreement which is found by any court or other Governmental Authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[Remainder of the page intentionally left blank]

IN WITNESS whereof the parties have executed this Agreement on the day and year first hereinbefore mentioned.

For and on behalf of **Honasa Consumer Private Limited**


Name: Ramanpreet Sohi
Designation: Director

IN WITNESS whereof the parties have executed this Agreement on the day and year first hereinbefore mentioned.

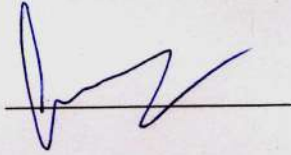
For and on behalf of **Fusion Cosmeceutics Private Limited**

A handwritten signature in black ink, appearing to read 'R. Sohi', written over a horizontal line.

Name: Ramanpreet Sohi
Designation: Director

IN WITNESS whereof the parties have executed this Agreement on the day and year first hereinbefore mentioned.

By Mr. Aneesh Sheth



SCHEDULE 1

PART A

DETAILS OF THE SELLER

Name	Address and E-mail	Bank	Account Number	IFSC Code	Purchase Consideration (in INR)
Mr. Aneesh Sheth	604 Monica Bldg, Fazal Road, Cuffe Parade, Mumbai 400095 aneesh@drsheths.com	HDFC BANK	50100209702679	HDFC0000143	INR 30,00,00,000

PART B

DETAILS OF SALE SHARES

S. No	Name of Seller	Sale Shares (Equity Shares)	Total number of Sale Shares	Shareholding percent (fully diluted basis)
1.	Aneesh Sheth	6,50,534	6,50,534	33.34%

[Remainder of the page intentionally left blank]

SCHEDULE 2

SHAREHOLDING PATTERN OF THE COMPANY

PART A - AS ON EXECUTION DATE

S. No	Name	Number of Equity Shares held	Number of Preference Shares held	Number of Subscription Shares (CCPS) held	Total Shares held (including ESOP Pool)	Shareholding percent (fully diluted basis)
1.	Aneesh Sheth	6,50,534	-		6,50,534	33.23%
2.	ESOP Pool	-	-		72,282	3.70%
3.	Honasa Consumer Private Limited	3,49,511	3,73,306	5,11,797	12,34,614	63.07%
	Total	10,00,045	3,73,306	5,11,797	19,57,430	100%

PART B - AS ON COMPLETION DATE

S. No	Name	Number of Equity Shares held	Number of Preference Shares held	Number of Subscription Shares (CCPS) held	Total Shares held	Shareholding percent (fully diluted basis)
1.	Honasa Consumer Private Limited	10,00,045	3,73,306	511797	18,85,148	96.3%
2.	ESOP Pool				72,282	3.70%
	Total	10,00,045	3,73,306	5,11,797	19,57,430	100%

SCHEDULE 3

PART A

COMPANY WARRANTIES

1. CAPACITY

1.1. Authorisations

- (a) The Company has obtained all corporate authorisations and (other than to the extent relevant to the Conditions) all other governmental, statutory, regulatory or other consents, licences, authorisations, waivers or exemptions required to empower it to enter into and perform its obligations under this Agreement and any other Transaction Document to which it is a party.
- (b) Entry into and performance by the Company and/or any Transaction Document to which it is a party will not: (i) breach any provision of its Charter Documents; (ii) (subject to fulfilment of the Conditions) result in a breach of any Laws in its jurisdiction of incorporation or of any order, decree or judgment of any court or any Governmental Authority; (iii) result in a breach of, or constitute a default under, any contract to which it is a party or by which it or its properties or assets is bound, or result in the acceleration of any obligation under any Indebtedness; or (iv) give any third party a right to terminate or modify, or result in the creation of any Encumbrance under, any agreement, license, document, instrument or obligation, which is binding upon any Company.
- (c) Each Transaction Document will, when executed, constitute valid and binding obligations of the Company that is a party thereto, enforceable against the Company in accordance with its terms.
- (d) No consent, approval, order or authorisation of, or registration, qualification, designation, declaration or filing with, any Governmental Authority, any other competent corporate regulatory authority or any other person is required by the Company in connection with the execution, delivery and performance by such party of any of the Transaction Documents or the completion of the transactions contemplated in any of the Transaction Documents.
- (e) No bankruptcy order has been made or petition presented against the Company, and, to the knowledge of the Company or the Founder, as the case may be, no person has threatened to present such an order or petition.
- (f) All organisational documents, minute books, statutory books and registers of the Company required to be kept in accordance with applicable Laws are up-to-date and have been maintained in accordance with all such applicable Laws and relevant secretarial practices on a proper and consistent basis and comprise complete and accurate records of all information required to be recorded (other than minor inadvertent errors).

2. SALE SHARES AND SHARE CAPITAL OF THE COMPANY

- 2.1. The authorised, issued and paid up share capital of the Company, as on Execution Date is as follows:
- (a) Authorised Capital. The authorised share capital of the Company is INR 2,05,10,000 (Indian Rupees Two Crore Five Lakhs Ten Thousand only) divided into 1,16,50,000 (One Crore Sixteen Lakhs Fifty Thousand) Equity Shares and 88,60,000 (Eighty Eight Lakhs Sixty Thousand) CCCPS.
 - (b) Issued, Subscribed and Paid-Up Share Capital. The issued and paid up capitalisation of the Company as on the Execution Date is INR 1,88,51,480 (Indian Rupees One Crore Eighty Eight Lakhs Fifty One Thousand Four Hundred and Eighty) divided into 10,00,045 (Ten Lakh and Forty-Five) Equity Shares and 8,85,103 (Eight Lakh Eighty Five Thousand One Hundred and Three) CCCPS.
- 2.2. The Company has not bought back, repaid or redeemed or agreed to buy-back, repay or redeem any of its Shares or otherwise reduced or agreed to reduce its share capital or purchased any of its Shares or carried out any transaction having the effect of a buy-back or reduction of capital.
- 2.3. As on the Execution Date, there are no other share capital, pre-emptive rights, convertible securities, outstanding warrants, options or other rights to subscribe for, purchase or acquire from the Company any share capital of the Company and there is no share application money pending for allotment and are no contracts or binding commitments or understandings, oral or in writing, providing for the issuance of, or the granting of rights to acquire, any share capital of the Company or under which the Company is, or may become, obligated to issue any of its securities or any Shares.
- 2.4. Each transfer of Sale Shares has been made in compliance with all the applicable Law, and all corporate action required to be performed by the Company under all applicable Law have been performed.
- 2.5. The Company does not have any existing stock option or securities plan for grant, offer, allotment or vesting of any Sale Shares or securities of the Company.
- 2.6. The Business being carried on by the Company is of a nature in which foreign direct investment of 100% (one hundred per cent) under the automatic route is permitted under the Law.
- 2.7. The Sale Shares have been issued in compliance with applicable Laws.

3. SOLVENCY

- 3.1. No liquidator, receiver, administrator or resolution professional has been appointed in respect of the whole or any part of the Assets or undertakings of the Company.
- 3.2. No order has been made and no resolution has been passed for the winding up of the Company.
- 3.3. No action, suit, proceeding or investigation has been received/ filed or has been threatened in writing, nor any order been made for winding up, receivership, bankruptcy, reorganisation,

composition or arrangement with creditors, voluntary or involuntary, or for appointment of an administrator/receiver in respect of the Company.

- 3.4. The Company is not insolvent within the meaning of applicable Law or unable to pay its debts as they become due and has not stopped paying its respective debts as they fall due.
- 3.5. No voluntary arrangement, compromise or similar arrangement with creditors has been proposed, agreed or sanctioned in respect of the Company and no meeting in respect of the same has been convened. The Company has not entered into any compromise or arrangement with its creditors or any class of its creditors generally.
- 3.6. The Company has not received any written notice and is not aware of any action relating to any insolvency resolution process, constitution of committee of creditors, approval of resolution plan, administration order being made, or a petition or application being presented for such an order and or documents having been filed with the court /tribunal for the appointment of an administrator, and no notice or written communication of intention to appoint an administrator has been received by the Company.

4. ASSETS

- 4.1. There are no other Encumbrances, nor has the Company agreed to create any Encumbrances, over any Assets and the Assets used by the Company are legally and beneficially owned by the Company; and where capable of possession, is in the possession of the Company.
- 4.2. All the Assets of the Company have been properly maintained and are in normal operating condition consistent with industry standards and are not dangerous, obsolete, inefficient or in need of renewal or replacement.
- 4.3. No notices, orders, proposals, applications or requests affecting or relating to any of the Assets have been served or made by any Governmental Authority on the Company and there are no circumstances which are likely to result in, any being served or made.
- 4.4. The Company has valid, clear and marketable title to and/or the right to use all its Assets and has not granted its Assets on lease or license.

5. ACCOUNTS

- 5.1. The Accounts:
 - (a) have been prepared in accordance with Indian GAAP and as per Law;
 - (b) fairly present the state of affairs of the Company; and
 - (c) present a fair and accurate view of: (i) the financial condition, cash flows, profits and / or losses and the financial position of the Company; and (ii) assets and liabilities (including reserves and Indebtedness) of the Company.

- (d) On the basis of the accounting bases, practices and policies used in their preparation and having regard to the purpose for which they were prepared: (i) the Accounts are not misleading; (ii) the Accounts do not over-state the value of the assets nor under-state the liabilities of the Company; and (iii) the Accounts do not over-state the profits or under-state the losses of the Company.
- (e) No undisclosed liabilities: There are no actual or contingent liabilities of the Company (whether or not those liabilities are required to be disclosed or provided for in accordance with generally accepted accounting principle except for: (i) liabilities disclosed or provided for in the Accounts; or (ii) liabilities disclosed pursuant to this Agreement.
- (f) Procedures: The Company has established procedures which provide a reasonable basis for the directors and officers of the Company to make proper judgments as to the financial position and prospects of the Company and the Company maintains a system of internal financial and accounting controls sufficient to provide assurance that transactions are recorded as necessary to permit preparation of complete and accurate accounting records, preparation of Accounts that fairly present the state of affairs, financial condition, results of operations and cash flows of the Company.
- (g) Up-to-date statutory books: All such statutory books, books of account and other records are in the possession or under the control of the Company together with all documents of title and executed copies of all existing agreements which are necessary for the proper conduct of its business and to which the Company is a party.
- (h) Accounts payable: All accounts payable of the Company has arisen in the ordinary course of business. All items which are required by accounting principles, standards and practices generally accepted at the date of this agreement to be reflected as payables in the Accounts and on the books and records of the Company are so reflected and have been recorded in accordance with such accounting principles, standards and practices and in a commercially reasonable manner. Since the Accounts Date, there has been no delinquency of accounts payable of the Group Companies.
- (i) Accounts receivable: All accounts receivable of the Company has arisen in the ordinary course of business, represent valid obligations to the Company arising from bona fide transactions, and are not subject to claims, set-off, or other defences or counterclaims. All items which are required by accounting principles, standards and practices generally accepted at the date of this agreement to be reflected as receivables in the Accounts and on the books and records of the Company are so reflected and have been recorded in accordance with such accounting principles, standards and practices and in a commercially reasonable manner.

6. INDEBTEDNESS

- 6.1. The Company does not have any outstanding Indebtedness in the nature of borrowing, including any bank overdraft, any liability under acceptances (otherwise than in respect of normal trade bills)

or any acceptance credit and has not entered into any agreement to create or issue any debt or loan capital nor has it factored or discounted its debts or engaged in financing of a type which would not require to be shown or fully reflected in the Accounts.

- 6.2. None of the Indebtedness is dependent on the guarantee or indemnity of, or security provided by a third party.
- 6.3. The Company has not granted any loan, guarantee, surety or provided any financial assistance to or on behalf of any other person.
- 6.4. The Seller has not given any debt or borne any expenses on behalf of the Company which is not recorded in the Accounts of the Company.

7. REGULATORY MATTERS

- 7.1. The Company has obtained all licences, permissions, authorisations (public or private) or consents (together, "**Approvals**") required for carrying on its business effectively in the places and in the manner in which it is carried on at the date of this agreement in accordance with all applicable Laws. These Approvals are in full force and effect, are not limited in duration or subject to any unusual or onerous conditions, have been complied with and are freely transferable. There are no circumstances which indicate that any Approval will or is likely to be revoked or not renewed, in whole or in part, in the ordinary course of events.
- 7.2. Compliance with laws: The Company has at all times conducted its business and corporate affairs in accordance with its Charter Documents and in accordance with all applicable Law. The Company is not in default of any statute, regulation, order, decree or judgment of any court or any governmental or regulatory authority in any jurisdiction which applies to the Company.
- 7.3. Competition and fair trading laws. The Company has not received any process, notice or other communication (formal or informal) by or on behalf of any Governmental Authority having jurisdiction in competition matters in relation to any agreement, arrangement, restrictive practice, concerted practice or course of conduct to which the Company is, or is alleged to be, a party; or is subject to any order, judgment, decision or direction given by any Governmental Authority, or party to any undertaking or assurance given to any such Governmental Authority in relation to competition matters and is still in force.

8. CONTRACTS

- 8.1. The Company is not a party to any material agreement:
 - (a) under the terms of which, as a result of the entry into and performance of the Transaction Documents: (i) any other party will be entitled to be relieved of any obligation or become entitled to exercise any right (including any termination or pre-emption right or other option); or (ii) the Company will be in default; or (iii) a liability or obligation of the Company is likely to be created or increased.

- (b) which is not in the Ordinary Course of business or not on arm's lengths terms
 - (c) which is a joint venture, consortium, partnership, or profit (or loss) sharing agreement
 - (d) under which the Company has sold or disposed of any company or business where it remains subject to any liability (whether contingent or otherwise).
 - (e) which involves or is likely to involve expenditure or other costs by the Company totalling in excess of INR 10,00,000 (Indian Rupees Ten Lakhs) in aggregate or any obligation of a material nature or magnitude.
 - (f) which cannot be performed by the Company within its terms within 6 (Six) months after the date on which it was entered into or cannot be terminated on less than 6 (six) months' notice.
 - (g) which is a recognition, procedural or other agreement between the Company and any recognised independent trade union.
 - (h) on which the business of the Company is substantially dependent or which is otherwise material to the business of the Company.
 - (i) any loan agreement, indenture, letter of credit, security agreement, mortgage pledge agreement, deed of trust, bond, note, or other agreement relating to the borrowing of money or to the mortgaging, pledging, transferring of a security interest, or otherwise placing an Encumbrance on any material asset or material part of the assets of the Company, each in an amount in excess of INR 10,00,000 (Indian Rupees Ten Lakhs) or as provided in the Management Accounts.
 - (j) which is a bid, tender, proposal or offer which, if accepted, would result in the Company being committed to any agreement or arrangement of a kind described in Paragraphs 6.1(a) to 6.1(j) above.
- 8.2. Terminations. Each contract on which the business of the Company is substantially dependent or which is otherwise material to the business of the Company is valid and binding and in full force and effect and no written notice of termination has been given or received by the relevant Group Company.
- 8.3. Contracts with suppliers, customers and distributorships. The Company has validly subsisting agreements with its vendors and distributors.
- 8.4. The Company is not in default under any contract or arrangement to which it is a party and no third party is in default under any contract or arrangement with the Company and there are no circumstances in either case likely to give rise to such a default.

9. LITIGATION

- 9.1. The Company is not a party to any litigation, arbitration, actions, suits, claims, examination, audit, investigation or administrative proceeding, which is in progress nor, have any such proceedings been expressly threatened in writing by or against the Company. Further, there are no notices in writing against the Company which may lead to any legal proceedings that in aggregate may result in a Material Adverse Effect or which restricts it from carrying on its Business as is currently conducted.
- 9.2. There are no circumstances which are likely to give rise to any litigation, arbitration or alternate dispute resolution proceedings by or against the Company.
- 9.3. The Company is not subject to any order or judgment given by any Governmental Authority that is still in effect.

10. INSURANCES

- 10.1. In relation to the insurance policies obtained by the Company:
 - (a) such insurances are in full force and effect;
 - (b) there are no circumstances which might lead to any liability under such insurances being avoided by the insurers; and
 - (c) there are no claims which remain outstanding have been made under any such insurances.

11. INTELLECTUAL PROPERTY

11.1. Business Intellectual Property

- (a) All registered Intellectual Property owned or used by the Company and is complete and accurate ("**Owned IP**"). The Owned IP is valid and subsisting and is not subject, or likely to be subject to, amendment, challenge, removal or surrender.
- (b) The Company owns all of the rights and interests in and has title to, or has validly licensed to it, all of the Intellectual Property used for the Business ("**Business IP**"). The Business IP comprises all the Intellectual Property Rights required to carry on the Company's business as it is currently carried on or currently planned to be carried on.
- (c) The Owned IP is not subject, or likely to be subject, to amendment, challenge, removal or surrender. There is nothing that might prevent applications from being granted.
- (d) No compulsory licences or anything similar have been, or are likely to be, granted for the Owned IP.

- (e) The licences of Intellectual Property granted to, and by, the Company are binding and in force. None of the parties to them is in default, there are no grounds on which they might be terminated and no disputes have arisen or are foreseeable in connection with them.
 - (f) The Business IP is not subject to any security interest, option, mortgage, charge or lien. The Business IP will not be lost, or rendered liable to termination, by virtue of the acquisition of the Shares or the performance of this Agreement.
 - (g) The Seller has transferred all IP to the Company and does not possess any IP which is being used by the Company.
- 11.2. No infringement. The Company is not infringing, is likely to infringe, or has infringed, the Intellectual Property Rights of a third party and no third party is infringing or has infringed, the Owned IP. There is no infringement, or likely infringement, by a third party of the Owned IP, and no third party has disputed the right of the Company to use the Business IP and there are no circumstances likely to give rise to a dispute.
- 11.3. Confidential information. Confidential information of, or that has been used by the Company has been kept confidential and has not been disclosed to third parties except in the ordinary course of business and subject to written confidentiality obligations from the third party. These confidentiality obligations have not been breached.
- 11.4. Information technology.
- (a) The information technology systems (**IT Systems**) are owned by, or properly licensed, leased or supplied under third party contracts to the Company. The Company is not in breach of and has not breached any of those licences, leases and supply contracts.
 - (b) There are no circumstances in which the ownership, benefit, or right to use the IT Systems may be lost, or rendered liable to termination, by virtue of the Transaction.
 - (c) The IT Systems have not failed to any material extent and the data that they process has not been corrupted. The IT Systems do not contain viruses, bugs or things that distort their proper functioning, permit unauthorised access or disable them without the consent of the user.
 - (d) The IT Systems are adequate for the needs of the Company's businesses as carried out at the date of this agreement.
 - (e) Data protection. The Company complies with all applicable data protection laws, guidelines and industry standards and the Company has not received any notice or allegation alleging that any Group Company has not complied with any of them.

12. TAXATION RETURNS & TAX RELATED

- 12.1. All liabilities of the Company in respect of Taxes are fully provided for or (as appropriate) disclosed in the Accounts in accordance with the accounting principles, standards and practices generally

accepted at the date of this Agreement in India. There is no deficiency or adjustment which has not been settled or otherwise resolved for any amount of Tax which has been, asserted or assessed by any Tax Authority.

- 12.2. Position since Accounts Date. Since the Accounts Date, the Company has not been involved in any transaction which has given or may give rise to a liability to Tax on the Company other than Tax in respect of normal trading income or receipts of the Company arising from transactions entered into by it in the ordinary course of business. Since the Accounts Date, the Company has not changed any accounting method in respect of Taxes. The Company has appropriately classified the expenditure incurred by it as revenue and capital in nature and the same has been accordingly considered for the purpose of its Tax returns.
- 12.3. Registrations. The Company has obtained in its name all the relevant registrations with Taxation Authorities, which are necessary for the conduct of its business, including but not limited to permanent account number, tax deduction and collection account number and Goods and Service Tax number.
- 12.4. Payment of taxes. All Tax dues payable by the Company have been paid in full within the prescribed statutory time limits. All amounts recorded and appearing in the Accounts as advance Tax or self-assessment Tax paid or as a credit of tax deducted at source or tax collected at source: (a) reconcile with the Form 26AS and electronic records of the Company for respective financial year; and (b) are true and correct and represent amounts which are duly recoverable or eligible for claim by the Company.
- 12.5. Deferred Tax. The Company has made full provision for deferred Taxes in the accounts in accordance with the applicable Law and applicable accounting standards. No disposal has taken place or other event occurred which will have the effect of crystallizing a liability to Taxation which should have been included in the provision for deferred Taxation contained in the financial statements of the Company if such disposal or other event had been planned or predicted at Closing.
- 12.6. Returns etc. The Company has duly, and within any appropriate time limits, filed all returns, declarations, computations (including claims for refunds), forms, given all notices and supplied all other information required to be supplied to all relevant Tax authorities under the provisions of Applicable Laws relating to Tax in accordance with and within the statutory time period stipulated by such Tax laws and has maintained all records required to be maintained for Tax purposes; all such information is correct, complete and accurate in all respects and all such returns and notices are correct, complete and accurate in all respects and are not likely to, reveal any transactions which may be the subject of any dispute with any Tax Authority. All refunds have been duly claimed in the Tax Returns filed by the Company and such refunds claimed, are in the opinion of the Company acting in good faith, considered refundable under applicable Laws.
- 12.7. Disputes, investigations. The Company has not received any notice that its Tax Returns are disputed by the Taxation Authorities concerned and no proceedings for recovery of Tax have been initiated or are presently pending against the Company. The Company is not involved in any current dispute with any Tax Authority or is subject of any litigation, proceeding, appeals, investigation or legal proceedings or other similar and incidental actions by any Tax Authority and it is not aware of any

instances that can lead to a Tax dispute. In relation to the Company, there are no litigation proceedings, no planned investigation, enquiry, audit, non-routine inspections, or other similar and incidental actions by any Tax Authority. There are no outstanding agreements, waivers or arrangements extending the statute of limitations with respect to any Taxes of the Company in effect as of the date of this Agreement.

- 12.8. Penalties, interest, security. There are no circumstances by reason of which the Company or any director or officer of the (in her capacity as such) may become liable to pay to any Tax Authority, any penalty, fine, surcharge or interest in respect of Tax. The Company has not been required to provide any security in respect of any amount of Tax and no asset the Company is subject to any Encumbrances-in favour of any Tax Authority or otherwise in relation to Tax.
- 12.9. Rulings etc. No transaction in respect of which any consent, ruling, confirmation or clearance (each a ruling) was required by applicable Law or sought from any Tax Authority has been entered into or carried out by the Company without such ruling having first been properly obtained. All information supplied to any Tax Authority in connection with any such ruling fully and accurately disclosed all facts and circumstances material to the giving of such ruling. Any transaction for which such ruling was obtained has been carried out only in accordance with the terms of such ruling and the application on which the ruling was based and at a time when such ruling was valid and effective. No facts or circumstances have arisen since any such ruling was obtained which would cause the ruling to become invalid or ineffective.
- 12.10. Special arrangements. No Tax Authority has agreed to operate or, operated, any special arrangement (being an arrangement which is not based on relevant legislation or any published practice) in relation to the Company's affairs. The Company has not negotiated any written arrangement or agreement with any relevant Governmental Authority in connection with any Tax.
- 12.11. Reliefs. No relief (whether by way of deduction, reduction, set-off, exemption, postponement, rollover, hold-over, repayment, allowance or otherwise) from, against or in respect of any Tax has been claimed and/or given to the Company or taken into account in determining or eliminating any provision for Tax or deferred Tax in the Accounts. The Company has completed all necessary filings with Governmental Authorities and maintains all records, documents, proofs and evidence as may be required under the Applicable Laws in relation to Taxes and rebates, benefits and concessions sought by it.
- 12.12. Withholdings. The Company has made all deductions and retentions of or on account of Tax as it was or is obliged or entitled to make under applicable Laws and all such payments of or on account of Tax as should have been made under applicable Laws, including any filings in relation thereto, to any Tax Authority in respect of such deductions or retentions.
- 12.13. Employees. All amounts payable to any Tax Authority in respect of any employee (including any Tax deductible from any amounts paid to an employee, and any social security, social fund or similar contributions required to be made in respect of employees) due and payable by the Company up to the date hereof have been duly paid and the Company has made all such deductions and retentions as should have been made under applicable Laws.

- 12.14. Residence/permanent establishment: The Company is and has at all times been resident for Tax purposes in its place of incorporation and is not and has not at any time been treated as resident in any other jurisdiction, other than India, for any Tax purpose (including any double Taxation arrangement). The Company has not received any written claim from a Governmental Authority in a jurisdiction where the Company does not pay Tax or file Tax Returns.
- 12.15. Third party Tax liability. The Company has not assumed the Tax liability of any other Person, either contractually or otherwise. There are no encumbrances for Taxes upon the Assets and the Company is not party to, nor have any obligation, under any Tax sharing, Tax indemnity or Tax allocation agreement or arrangement; and it has never been a member of any affiliated, consolidated, combined or unitary group for any period or a party to any joint venture, partnership or other agreement that could be treated as a partnership for Tax purposes; and it is not liable directly or indirectly for the Taxes of any other person. The Company is not liable for any Tax as the agent or representative assessee of any other person or any other person's business or constitutes a permanent establishment of any other person, business or enterprise for any Tax purpose. The Company is not liable to pay any amount or make reimbursement or indemnity to any Person in respect of any Tax liability of another Person pursuant to the terms of any document entered by the Company.
- 12.16. Tax avoidance. The Company has not received any notice from any Tax Authority alleging that it has been involved in any transaction or series of transactions the main purpose, or one of the main purposes of which, was the avoidance of Tax. The Company has never been engaged in, or been a party to, any transaction or series of transactions or steps or scheme or arrangement of which the main purpose or one of the main purposes is, the evasion, avoidance or deferral of Taxes and it does not satisfy any of the conditions of being treated as an Impermissible Avoidance Arrangements under Chapter XA of the IT Act.
- 12.17. Stamp duty. In relation to stamp duty assessable or payable in India or elsewhere in the world, as at the date of this agreement, all documents in the enforcement of which the Company may be interested have been duly stamped and no document belonging to the Company as at the date of this agreement which is subject to ad valorem stamp duty is unstamped or insufficiently stamped; nor has any relief from such duty been improperly obtained, nor has any event occurred as a result of which any such duty from which the Company has obtained relief, has become payable.
- 12.18. Related party transactions. There is no existing or proposed transaction, contract or arrangement between the Company and any other Related Party (including without limitation related parties within the meaning the IT Act or the applicable accounting standard). The Company is in compliance with all transfer pricing requirements under Applicable Law, and all transactions between the Company and its Related Parties and associated enterprises have been carried out on an arm's length basis, as required under Applicable Law. No notice, inquiry or adjustment has been made by any Taxation Authority in connection with any such transactions or arrangements. No event has occurred which will give rise to a Tax liability on the Company calculated by reference to deemed (as opposed to actual) income, profits or gains or which will result in the Company becoming liable to pay or bear a Tax liability directly or primarily chargeable against or attributable to another Person. The Company represents that the loans from the Related Parties do not carry any interest and no related party loans are outstanding as on the Execution Date.

12.19. Past restructuring exercise. All the mergers / acquisitions/ restructuring exercise undertaken by the Company until Closing Date have been made in compliance under Taxation Laws and there are no litigations, claims or notices raised or threatened or are likely to be raised against the Company on such mergers / acquisitions/ restructuring exercise. The Company has not disposed of or acquired any Assets in circumstances such that the disposal price or acquisition cost of the Asset would be treated for Taxation purposes as being different from the consideration given or received.

12.20. Others Tax matters. No audit, investigation, visit or other proceeding by any Taxation Authorities is pending or being conducted or proposed to be conducted:

(a) relating to any Taxes due from or with respect to the Company in relation to the filing of any Tax Returns or failure to do so; or

(b) in respect of any pending proceedings under any Tax legislation,

that may prohibit, restrict, delay the consummation of or have any adverse impact on the Company's ability to enter into the transactions contemplated in this Agreement or that has the effect of creating any charge or lien on the sale of shares or subscription of shares or any assets of the Company in which it holds shares, in favor of any Taxation Authority. The Company is not, and has not been since incorporation, subjected to any non-routine audit, investigation, discovery, search or seizure or access order by any Taxation Authority.

13. **INDIRECT TAX MATTERS**

13.1. All types of supplies (inter-state, intra-state, exports or imports), sale of Assets and supply returns, if any, have been duly classified and properly accounted for in the outward supply register or duly recorded in the appropriate books of accounts and suitably disclosed in the returns filed under the Goods and Services Tax Act, 2017

13.2. The Company has classified the goods / services supplied by them and charged appropriate Tax in accordance with the notifications issued under / pursuant to the Goods and Services Tax Act, 2017.

13.3. All goods, services or other inputs for which the Company has claimed any credit with respect to any indirect Tax have been or are to be used for the purposes of the business of the Company, and such credit is a valid credit to the extent claimed.

13.4. The Company has duly accounted, deposited and reported Indirect Tax under reverse charge on inward supply in accordance with the applicable value and rate as prescribed under the respective Indirect Tax laws.

13.5. The Company has duly availed and reversed (wherever applicable) input Tax credit in their GST records and returns. Further, the Company has duly reconciled input Tax credit with the details of invoices available in Form GSTR-2A (auto-populated based on return filed by corresponding supplier in Form GSTR-1) and availed credit to the extent allowed by the applicable provisions.

- 13.6. The Company maintains the documents as required and prescribed under the Goods and Services Tax Act, 2017.
- 13.7. All transactions on which valuation rules stand applicable under the Goods and Services Tax Act, 2017, have been recorded in the books and records of the Company appropriately.
- 13.8. The Company has prepared the monthly returns based on the books of accounts maintained by it.
- 13.9. No material investigation, governmental charges or other proceeding by any Tax Authority is pending or being conducted, with respect to:
 - (a) any Taxes due from or with respect to either entity of the Group in relation to the filing of any Tax returns or failure to do so; or
 - (b) any Tax that has any adverse impact on the Company's ability to consummate the transactions contemplated in this Agreement.
- 13.10. The Company has filed all declarations and Taxes returns that are required to be filed by the Company in relation to Taxes, and has not received any written notice that such returns are disputed by the Tax Authorities concerned and that proceedings for recovery of Tax have been initiated or are presently pending against the Company

14. REAL ESTATE

- 14.1. 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. Each lease, sub-lease, license, sub-license or other occupancy arrangement in respect of each property occupied or used by Company (each a "**Lease**") is in writing and is validly executed and has been duly stamped and registered.
- 14.2. 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. Each lease, sub-lease, license, sub-license or other occupancy arrangement in respect of each property occupied or used by Company (each a "**Lease**") is in writing and is validly executed and has been duly stamped and registered.
- 14.3. The Company has not sent to or received from any other party to any Lease, any written notice of any default or breach of any Lease. The Company has enjoyed uninterrupted and undisputed possession of the properties held on a leasehold basis and there are no disputes with respect to any such Lease.
- 14.4. There are no overdue rents, rates or other amounts or an arrangement for deferred consideration or other payments in respect of any Lease.
- 14.5. The Company has not sub-leased or otherwise granted to any Person, the right to use or occupy any of the properties in violation of the terms of Lease.

14.6. No Encumbrances have been created by the Company on or over any Assets including the leasehold/ license interests of the Company in respect of leased property used or occupied by it.

15. EMPLOYMENT

15.1. No amounts owing or claimed. There are no sums or other liabilities owing by the Company to, or any claims relating thereto by, any employee or former employee, other than amounts representing reimbursement of expenses, wages for the current salary period and accrued holiday pay for the current holiday year.

15.2. Loans. There are no loans or notional loans to any current or former director or employee or any of their nominees or associates.

15.3. Incentive Schemes. Each incentive scheme operated, adopted or contributed to by the Company in relation to any of the employees has been approved by the relevant taxation and regulatory authorities as is necessary or desirable and has complied with all statutory and regulatory requirements relating to such a scheme. No event has occurred which might cause such approval to be lost.

15.4. Compliance. The Company has in relation to each of its employees (which shall include workers and contract labour engaged by the Company) and former employees complied in all aspects with all obligations owed to and in respect of the employees and former employees, including under legislation, regulations, codes of conduct, codes of practice, collective agreements, terms and conditions of employment, orders, agreements with third parties and awards relevant to their conditions of service and in particular it has:

- (a) complied in all respects with its obligations under applicable Laws regarding (i) payments of statutory liabilities towards provident fund, employees state insurance scheme, bonus, superannuation, gratuity, professional tax, labour welfare fund and/or other similar applicable requirements; and (ii) as required, the provisions of the Employment Exchanges (Compulsory Notification of Vacancies Act), 1959 and the Maternity Benefit Act, 1961;
- (b) maintained adequate and suitable records and registers and has filed requisite returns, exhibited abstracts of labour statutes, acts and regulations, as required under applicable Laws in relation to the employment of employees;
- (c) discharged or adequately provided for, in all respects, its obligations to pay (i) all salaries, minimum wages (as prescribed under the Minimum Wages Act, 1948), bonuses, overtime pay, holiday pay, sick pay, gratuity, leave encashment, and other benefits of or connected with employment up to the date of this agreement; and (ii) the severance payments to employees leaving the services of the Company up to the date of this Agreement;
- (d) complied in all respects with all its obligations concerning the health and safety at work of each of the employees and has not incurred any liability to any employee or former employee in respect of any accident or injury; and

- (e) no outstanding obligations to employees or former employees in relation to social security, social insurance, severance, housing allowance and/or provident fund, pension contribution, share options or grants or other benefits payments.
- 15.5. Complaints. There are no formal complaints, disputes or claims actual, pending or, to the knowledge of the Company or the Seller, as the case may be, threatened, nor were there within the period of one (1) year before the date of this agreement any material complaints, disputes or claims, against the Company of any nature in relation to any employee or former employee and there are no matters which could give rise to any such claims.

16. ANTI-BRIBERY, MONEY LAUNDERING AND SANCTIONS

- 16.1. For the purpose of this Paragraph 15, the term "Anti-Bribery Law" means all Laws relating to bribery or corruption, including (to the extent applicable) but not limited to: (i) the (Indian) Prevention of Corruption Act 1988; (ii) the United States Foreign Corrupt Practices Act of 1977; (iii) the U.K. Bribery Act 2010 and, where applicable, legislation enacted by member states and signatories implanting the OECD Convention Combating Bribery of Foreign Officials; and (iv) any similar laws issued, administered, or enforced by a competent government authority in any applicable jurisdiction.
- 16.2. For the purpose of this Paragraph 15, the term "Anti-Money Laundering Law" means all Laws relating to anti-money laundering, including any financial record keeping and reporting requirements including but not limited to: (i) the Proceeds of Crime Act, Money Laundering Regulations, and Terrorism Act of the United Kingdom; (ii) the U.S. Bank Secrecy Act and USA Patriot Act of 2001; and (iii) any similar laws issued, administered, or enforced by a competent government authority in any applicable jurisdiction
- 16.3. For the purpose of this Paragraph 15, the term "Sanctions Laws" means any law that imposes trade sanctions (including, without limitation, asset blocking/freezing, trade embargoes, and other financial restrictions) against countries, regions, locations, individuals, or entities for reasons of national or international security, human rights or foreign policy, whether pursuant to United Nations Security Council Resolutions or on an autonomous national or regional basis, including, without limitation, (i) sanctions or restrictive measures imposed by the European Union or its Member States, including those imposed or administered by Her Majesty's Treasury of the United Kingdom; (ii) sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department or the U.S. Department of State; and (iii) similar economic sanctions laws, regulations, orders and directives of other jurisdictions.
- 16.4. Neither the Seller nor the Company, nor any officers, Directors, employees of the Seller or the Company, is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Anti-Bribery Laws in relation to the Business.
- 16.5. Neither the Seller nor the Company nor any officers, Directors, employees of the Seller or the Company, nor any of their respective Related Parties has, directly or indirectly, offered, paid, promised, or authorised the giving of any payments in relation to the Business: (i) to or for the use or benefit of any government official; (ii) to any other person either for an advance or reimbursement, if it knows or has reason to know that any part of such payment will be directly or indirectly given

or paid by such other person to any government official; or (iii) to any other person or entity, to obtain or keep business or to secure some other improper advantage, the payment of which would violate applicable Anti-Bribery Laws.

- 16.6. Neither the Seller nor the Company, nor any officers, Directors, or employees of the Seller or the Company is named on any list of prohibited persons, entities or jurisdictions maintained and administered by the Reserve Bank of India or subject to any sanction administered under any Sanction Laws.
- 16.7. The Business of the Company has been conducted at all times in compliance with all Anti-Bribery and Anti-Money Laundering Laws.

17. INFORMATION

- 17.1. The particulars relating to the Company set out in the Recitals and the schedules, in the Warranties made by the Seller under this agreement and in all statements made in any certificate or document issued by the Seller or the Company to the Purchaser pursuant to the requirements of this agreement are true and accurate.

[Remainder of the page intentionally left blank]

SCHEDULE 3

PART B

SELLER WARRANTIES

The Seller represents and warrants to the Purchaser as follows:

1. This Agreement and any other document to be executed pursuant to or in connection with this Agreement will, when executed, constitute its valid and binding obligations, in accordance with their respective terms.
2. None of: (a) the execution, delivery and performance of this Agreement; (b) the consummation of the transactions contemplated by this Agreement; or (c) compliance with the provisions of this Agreement, will conflict with or breach any applicable Laws so as to render the transactions envisaged under this Agreement void or unenforceable.
3. He is the sole legal and beneficial owner of the Sale Shares and has the exclusive right to exercise all voting and other rights over and in respect of the Sale Shares. He has valid title to the Sale Shares and is not prohibited or restricted in any manner whatsoever by any contract or applicable Law to sell the Sale Shares to the Purchaser.
4. The Sale Shares are free of all Encumbrances and are not subject to any pre-emption rights, lock-in, non disposal obligations or rights of first refusal for transfers thereof in favour of any other Person. There are no options, agreements or understandings (exercisable now or in the future and contingent or otherwise) which entitle or may entitle any Person to create or require to be created any Encumbrance over any of the Sale Shares held by him.
5. The Sale Shares have been acquired by him in compliance with applicable Law and all forms and documents prescribed under applicable Law required to be filed by it with any Governmental Authority in relation to the issuance and allotment of the Sale Shares were duly filed by him.
6. He has been allotted permanent account number under the IT Act.
7. The Sale Shares are held by the Seller as a 'capital asset' and treated as investments for accounting purposes.
8. The Purchase Consideration is equal to or more than the fair market value of the Sale Shares, as prescribed under Section 50CA read with Rule 11UA of the IT Act.
9. All records and information which the Seller is required to keep for Tax purposes or which would be needed to substantiate any position taken in relation to Tax has been or will be duly kept in compliance and possession of the Seller.
10. There are no Tax proceedings, Tax claims, and Tax demands, in any form whatsoever, (including any proceedings at the assessment stage for which a Tax demand has not yet been raised) pending

or threatened against the Seller under the IT Act that can adversely affect the transfer of the Sale Shares under Section 281 of the IT Act.

11. All Taxes of any nature whatsoever for which the Seller is liable, and which have fallen due for payment, have been duly paid. The Seller has maintained all records and information which it is required to keep for Tax purposes, or which would be needed to substantiate any claim made or position taken in relation to Tax claims in accordance with applicable law. The Seller has duly and timely responded to or furnished requisite particulars or clarifications or complied with, all notices, inquiries, assessment notices received from Tax authorities.
12. The Seller further represents and warrants to the Purchaser that he is a person resident in India in terms of the FEMA Regulations and a resident of India for the purposes of section 6 of the IT Act and shall continue to remain tax resident of India for the entire Financial Year during which the Completion Date falls.
13. The Seller further represents and warrants to the Purchaser that all the assets, including but not limited to the domain name of the Company's website, which were being used by the Company, but were owned by the Purchaser, have transferred in full, to the Company.

SCHEDULE 4

PURCHASER'S WARRANTIES

1. The Purchaser is duly organized and validly existing under the laws of India.
2. The Purchaser warrants that the execution and delivery of this agreement and the Completion of the transactions contemplated hereby, have, where required, been duly and validly authorised and no other proceedings or action on the part of the Purchaser is necessary to authorise the agreement or to complete the transactions contemplated hereunder.
3. The execution, delivery and performance by it of this agreement and/or other transaction documents and the consummation of the transactions contemplated hereby do not violate or conflict with any provision of its constitutional documents or applicable Laws or any court order, judgment, injunction, award, decree or writ of any court or the Governmental Authority against, or binding upon the Purchaser.
4. It is not subject to any insolvency proceedings with respect to any part or all of its assets.

[Remainder of the page intentionally left blank]

SCHEDULE 5

CONDITIONS

1. There being not in effect any Law which has the effect of making the transactions contemplated under the Agreement illegal.
2. The Seller shall have provided a certificate from a chartered accountant which certificate shall be accompanied with a screenshot from the website of the income tax department certifying that there no outstanding or any pending claims for the purposes of Section 281 of the Income Tax Act.
3. The Seller and the Company shall have obtained all relevant corporate approvals as may be required by each of them under their charter document and Laws in connection with the execution of and performance of their obligations under this Agreement.
4. The Company shall provide to the Purchaser, a certificate from a Category I SEBI registered merchant banker / Chartered Accountant indicating the fair value of the Sale Shares under Section 50CA/56(2)(x) of the IT Act, in the manner as prescribed under Rule 11 UA/ Rule 11UAA of the Income Tax Rules, 1962
5. The Company shall have revised the e-TDS return and ensure the demand currently visible in Traces website is rectified.
6. The Company shall have maintained its minutes in accordance with the Companies Act.
7. The Company shall have maintained the inspection book under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
8. The Company shall have executed the consultant agreement with the Seller in a form acceptable to the Purchaser.
9. The Company and shall have executed the consultant agreement with the Skin and Hair Clinic Centres in a form acceptable to the Purchaser.
10. The Seller shall have provided to the Company scanned copies of duly executed and stamped share transfer deeds with respect to its Sale Shares.
11. The Seller shall have provided the KYC documents and shall have executed such other agreements with the bankers of the Purchaser as may be requested by the Purchaser.
12. There shall have been no Material Adverse Effect.
13. All the Transaction Documents shall have executed by the Parties.
14. The Company shall have changed its bank signatories from Aneesh to Ramanpreet Sohi (Director) and Ritesh Jha.

15. The Company shall share copies of the following documents with the Purchaser:
- (i) Certificate of incorporation, Memorandum of Association and Articles of the Company;
 - (ii) Minutes of the meetings of the Board conducted for FY 2019 to 2020, FY 2020 to 2021, FY 2021 to 2022 and FY 2022 to 2023 (as signed by an authorized signatory of the Company);
 - (iii) Minutes of the shareholder meetings conducted for FY 2019 to 2020, FY 2020 to 2021, FY 2021 to 2022 and FY 2022 to 2023 (as signed by an authorized signatory of the Company);
 - (iv) All statutory registers maintained by the Company;
 - (v) Original share certificates of the First Tranche Sale Shares (*as defined in the SSSPA*);
 - (vi) List of Intellectual Property being utilized by the Company as on date, and registered under the Seller's name or any other Person (supported by relevant registration certificates);
 - (vii) Valid and operational contracts executed by the Company;
 - (viii) List of credentials and log-in details for the Company online accounts, as mutually agreed between the Purchaser and the Seller;
 - (ix) Product Wise FDA certificate (Active and Discontinued); and
 - (x) Other Intellectual Property registrations in the name of the Company including but not limited to copyright, patent, design, etc.
16. The accounts set out under SCHEDULE 9 shall have been transferred from the Seller in the name of such other person as may be nominated by the Company
17. Any other transitional activities as may be mutually agreed between the Purchaser and the Seller.

SCHEDULE 6

FORM OF CP CONFIRMATION CERTIFICATE

[Date]

To,
Mr. Ramanpreet Sohi,
Honasa Consumer Private Limited
4th Floor BLM tower, Plot no. 63, Sector 44, Gurgaon.

Re: **Satisfaction of Conditions set out in SCHEDULE 6 (*Conditions*) of the Share Purchase Agreement dated October 20th 2022**

Dear Ramanpreet Sohi,

I write with reference to the Share Purchase Agreement dated October 20th 2022 ("**Agreement**") entered into between the Seller, Fusion Cosmeceutics Private Limited ("**Company**") and Honasa Consumer Private Limited ("**Purchaser**"). This notice is being issued pursuant to Clause 3.2 of the Agreement. Capitalized terms used in this notice but not defined herein shall have the meaning ascribed to them in the Agreement.

The Seller, certifies and confirms that:

1. The Conditions set out in SCHEDULE 5 (*Conditions*) read with Clause 3.1 of the Share Purchase Agreement have been fulfilled [except [*reference to any condition which has been expressly waived or deferred by the Purchaser to be inserted*]].
2. The following documents evidencing the fulfilment of each of the Conditions referred to in Paragraph 1 above are enclosed along with this notice, for your consideration.
3. We request you to proceed to Completion in accordance with Clause 4.3 of the Share Purchase Agreement.

Yours sincerely,

Aneesh Sheth

[Remainder of the page intentionally left blank]

SCHEDULE 7

PART A

FORMAT OF CP FULFILMENT NOTICE

To:

Aneesh Sheth
604 Monica Bldg, Fazal Road, Cuffe Parade, Mumbai 400095

Dear Sir/s,

We write with reference to the Share Purchase Agreement dated October 20th 2022 ("**Agreement**") entered into between the Seller, Fusion Cosmeceutics Private Limited ("**Company**") and Honasa Consumer Private Limited ("**Purchaser**"). Capitalized terms and expressions used in this letter but not defined herein shall have the same meaning ascribed to them in the Agreement.

This letter is being issued in terms of Clause 3.3 of the Agreement.

We hereby certify and confirm that we have reviewed the CP Confirmation Certificate, based on the documents, information and confirmations provided by the Seller in the CP Confirmation Certificate, are satisfied with the confirmation provided by the Seller that the Conditions are fulfilled.

Yours sincerely,

For and on behalf of Honasa Consumer Private Limited

Name:

Designation:

[Remainder of the page intentionally left blank]

SCHEDULE 7

PART B

FORMAT OF CP REJECTION NOTICE

[•], 2022

To:

Aneesh Sheth
604 Monica Bldg, Fazal Road, Cuffe Parade, Mumbai 400095

Dear Sir/s,

We write with reference to the Share Purchase Agreement dated October 20th 2022 ("**Agreement**") entered into between the Seller, Fusion Cosmeceutics Private Limited ("**Company**") and Honasa Consumer Private Limited ("**Purchaser**"). Capitalized terms and expressions used in this letter but not defined herein shall have the same meaning ascribed to them in the Agreement.

Capitalized terms and expressions used in this letter but not defined herein shall have the same meaning ascribed to them in the Agreement.

This letter is being issued in terms of Clause 3.3 of the Agreement.

We hereby certify and confirm that we have reviewed the CP Confirmation Certificate, based on the documents, information and confirmations provided by the Seller in the CP Confirmation Certificate. In our view, the following Conditions have not been satisfied:

Condition Precedent	Reason
[•]	[•]

Yours sincerely,

For and on behalf of Honasa Consumer Private Limited

Name:

Designation:

[Remainder of the page intentionally left blank]

SCHEDULE 8

CONDUCT OF BUSINESS UP TO COMPLETION DATE

1. The Business of the Company is carried on as a going concern in all respects in the Ordinary Course;
2. The Company does not undertake any reorganisation, or discontinue, change or relocate any material part of its Business;
3. The Company does not declare or pay any dividend or other distribution (whether in cash or in kind), or reduce its paid-up share capital;
4. The Company does not create, issue or agree to issue or allot any share capital to any person and the Company does not cancel, redeem or repurchase any shares or other securities;
5. The Company does not enter into transactions with a Related Party which is not in the Ordinary Course and on arm's length;
6. The Company does not enter into or terminate any contract which is not in the Ordinary Course and on arm's length and has a value in excess of INR 5,00,000 (Indian Rupees Five Lakhs only) per annum;
7. The Company does not institute or settle any litigation where that action is likely to result in a payment to or by the Company of INR 1,00,000 (Indian Rupees One Lakh only) per annum or more;
8. The Company does not give any guarantee, indemnity or other agreement to secure an obligation of a third person (other than in the Ordinary Course) or enter into any joint venture, consortium, profit or loss sharing agreement or partnership;
9. The Company does not make any change to its accounting practices or policies or amend its Charter Documents, unless required by Law or relevant accounting standards, or change any of the internal / statutory auditors;
10. The Company does not dispose of or discontinue any material part of its Business or Assets;
11. In connection with its Assets, the Company does not:
 - (a) terminate or serve any notice to terminate, surrender or accept any surrender of or waive the terms of any lease, tenancy or licence; and / or
 - (b) enter into or vary any agreement, lease, tenancy, licence or other commitment;
 - (c) sale/sub-let/Agreement to sell any owned premises by the Company.
12. The Company does not incur any capital expenditure;

13. The Company maintains in force policies of insurance with limits of indemnity at least equal to, and otherwise on terms no less favourable than, the policies of insurance maintained by it immediately before the date of this Agreement;
14. The Company does not borrow any money in excess of INR 15,00,000 (Indian Rupees Fifteen Lakhs)
15. The Company does not:
 - (a) terminate any Key Employees;
 - (b) make changes (other than those required by Law) to the terms of employment (including benefits) of any employees including the costs of remuneration for the Key Employees;
16. The Company does not do or allow anything to be done which causes or is reasonably likely to cause a Material Adverse Effect;
17. The Company shall maintain exclusivity and shall not initiate or entertain, any discussions, or enter into any agreement or arrangement, with any party other than the Purchaser regarding a direct or indirect acquisition of a shareholding, voting or management rights, or the business or assets of / in the Company.

[Remainder of the page intentionally left blank]

SCHEDULE 9

SELLER ACCOUNTS TO BE TRANSFERRED

S. No.	Digital Platforms
1.	Shopify
2.	Amazon Seller Portal
3.	Amazon Advertising Portal
4.	Nykaa (Billing + Debit/Credit related)
5.	AWS
6.	Web Engage
7.	Google
8.	Facebook
9.	Foxy
10.	Purple
11.	Shiprocket
12.	Easy Ecom
13.	EMIZA
14.	Domain
15.	Google Email
16.	Google DNS
17.	Instagram Login
18.	Facebook Login
19.	Purple Login
20.	Flipkart Login
21.	Zig Chat

SCHEDULE 10

DETAILS OF SKIN AND HAIR CLINIC CENTRES

1. Centre operated by 'Dr. Sheth's Skin and Hair Clinics LLP' at 2nd Floor, Sethna Building, Marine lines, next to our lady of Dolores church, under Marine lines flyover, Mumbai - 400002.
2. Centre operated by 'Dr. Sheth's Skin and Hair Clinics LLP' at 2nd floor, Casablanca, plot no 130 Gul mohar cross Rd 10, JVPD scheme, Mumbai- 400049

SCHEDULE 11

INDEMNIFICATION

1. The Seller (the “**Indemnifying Party**”) shall have no liability in respect of any claim which is based on any liability which is contingent until such contingent liability accrues and becomes an actual liability, provided the Purchaser Indemnified Parties is not required to make any payment pursuant to such contingent liability.
2. No Warranty is made as to any projections, opinions or forecasts provided to the Purchaser.
3. The Seller shall not be liable hereunder more than once in respect of a Loss arising out of an event.
4. Time Limits

In order to be indemnified under Clause 6, the Indemnified Party must make a claim:

- (a) with respect to any Claim related to Tax no later than 7 (Seven) years from the end of the financial year in which the Completion occurs;
- (b) with respect to any Claim related to Fundamental Warranties, no later than 10 (Ten) years from the Completion Date; and

with respect to any Claim arising out of breach or inaccuracy of a Company Warranty, no later than 4 (four) years from the Completion Date; there will be no time limit within which an Indemnified Party must make a Claim in case of any Loss arising due to fraud or wilful or intentional misconduct or gross negligence of any Indemnifying Party

Notwithstanding anything to the contrary, in relation to any Claim which has been notified by the Purchaser Indemnified Party to the Indemnifying Parties prior to the expiry of the periods mentioned above, the obligation of the Indemnifying Parties under Clause 6 shall continue with respect to that claim.

5. Monetary limits

The Seller will not be liable under this Agreement in respect of any Loss arising from any single transaction/ circumstance or a series of related transactions/ circumstances unless: (i) the amount of the Loss is at least INR 3,00,000 (Indian Rupees Three Lakhs) (“**De Minimis Threshold**”); and (ii) the cumulative aggregate of such De Minimis Threshold is at least INR 15,00,000 (Indian Rupees Fifteen Lakhs). The Parties hereby agree that the Purchaser will be entitled to amounts only in excess of the De Minimis Threshold.

It is hereby agreed that the indemnification obligations of the Seller shall be capped and will not exceed Aggregate Consideration:

The maximum aggregate liability (i) of the Seller in respect of all Losses (whether collectively or individually) under this Agreement will not exceed the Purchase Consideration paid to such Seller; and (ii) of the Company and Founders in respect of all Losses (whether collectively or individually) under this Agreement will not exceed the Aggregate Consideration.

6. Notwithstanding anything above, there shall be no monetary limit for any claim in the case of fraud, willful misconduct or gross negligence of the Seller or the Company.
7. The Seller will not be liable in respect of any indemnity claim if and to the extent that, the Losses, in respect of such indemnity claim has been recovered by the Indemnified Party under another indemnity claim made pursuant to this Agreement or the SPA or under any insurance or otherwise.
8. No indemnity claim may be brought against the Indemnifying Parties by the Indemnified Party prior to the Completion Date.
9. The Indemnified Parties will procure that all reasonable steps are taken (including, from the Completion, by the Company) to avoid or mitigate any loss or damage which it may suffer in consequence of any breach by the Indemnifying Party of the terms of this Agreement or any fact, matter, event, or circumstance likely to give rise to a claim.

10. Direct Claims

- a. If any Indemnified Party seeks indemnification under this Agreement, it will, as soon as reasonably practicable after such Indemnified Party becomes aware of any Losses or amounts due under Clause 6 (*Indemnification*), give written notice (each, a “**Claim Notice**”) to the Seller briefly describing the claim and the Losses or amounts due under Clause 6 (*Indemnification*) for which the Indemnified Party is asserting a Claim.
- b. If the Seller disputes the Claim Notice (a “**Claim Dispute**”), the Indemnifying Party shall, within 30 (thirty) Business Days of the receipt of the Claim Notice, notify the Purchaser of the same by way of a written notice (a “**Claim Dispute Notice**”). The parties to the Claim Dispute shall attempt to amicably resolve the Claim Dispute through discussions within 30 (thirty) Business Days from the date of receipt by the Purchaser of the Claim Dispute Notice. If the Claim Dispute is not so resolved, then the Claim Dispute shall be resolved by arbitration in accordance with Clause 12 (*Dispute Resolution*) of this Agreement. If the Indemnifying Party does not timely dispute the Claim, it shall pay the amount which is the subject matter of the Claim within 10 (ten) Business Days of the expiry of the 30 (thirty) Business Day period referred to in the first sentence of this Paragraph 9(b).

11. Third Party Claims

- a. If a Claim is made against the Purchaser Indemnified Party by any third party (“**Third Party Claim**”) or if the Purchaser Indemnified Party receives notice of any potential claim that would be expected to result in a Third Party Claim, and in respect of which the Purchaser Indemnified Parties may make a claim for indemnification, in accordance with the terms of this Agreement, against the Indemnifying Party, then the Purchaser Indemnified Party shall notify the

Indemnifying Party of such Third Party Claim in writing within 15 (Fifteen) days (“**Third Party Claim Notice**”). Notwithstanding the foregoing, if the Third Party Claim Notice is not delivered within the abovementioned time period, the Indemnifying Party shall not be relieved of its indemnity obligations, except and only to the extent the Losses are increased due to such delay.

- b. Upon receipt of the Third Party Claim Notice, the Indemnifying Party shall be entitled to assume defence of such Third Party Claim, provided it notifies to the Purchaser Indemnified Party within 15 (Fifteen) days of the receipt of the Third Party Claim Notice that it would assume defence of the Third Party Claim and such notice also confirms that it shall keep the Purchaser Indemnified Party(ies) appropriately informed of matters pertaining to such actions and consult the Purchaser Indemnified Party(ies) in good faith with respect to the conduct of such defence. Upon assuming the defence of the Third Party Claim as aforesaid, the Indemnifying Party shall be entitled take such action, at its own cost and expense with respect to such Third Party Claim, in such manner as they deem fit, provided that it shall not consent to entry of any judgment or enter into any settlement without the prior written approval of the Purchaser Indemnified Party, unless any such judgment or settlement discharges the Purchaser Indemnified Party from all liabilities and/or obligations. The Indemnifying Parties shall not be entitled to assume or maintain control of the defense of any Third Party Claim and shall pay the reasonable fees and expenses of the counsel retained by the relevant Purchaser Indemnified Persons if (i) the Third Party Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (ii) the relevant Purchaser Indemnified Persons reasonably believes that an adverse determination with respect to the Third Party Claim would be detrimental to the reputation or future business prospects of such Purchaser Indemnified Persons or any of its Affiliates, (iii) the Third Party Claim seeks an injunction or equitable relief against the Purchaser Indemnified Persons or any of its Affiliates, or (iv) the Indemnifying Parties have failed or is failing to prosecute or defend vigorously the Third Party Claim and Purchaser Indemnified Person(s) is/are required to take defense of such Third Party Claims
- c. In relation to any Third Party Claim, if (i) the Indemnifying Party does not assume control of such Third Party Claim within a period of 30 (Thirty) Business Days from the date of receipt of the Third Party Claim Notice and does not inform the Purchaser Indemnified Party of its choice regarding whether or not it wishes to assume control of the Third Party Claim; the Purchaser Indemnified Party may take such action (including legal proceedings and appointing independent legal counsel, at the cost of the Indemnifying Parties) as they deem necessary, provided that any settlement or entry into judgement shall be undertaken only with the prior approval of the Indemnifying Party.

[Remainder of the page intentionally left blank]