



Ref No.2023JUN06/P002267641/SIDB/FFS

June 6, 2022

To,

All SEBI registered Category I & II AIFs.

Madam/ Dear Sir,

फंड ऑफ फंड्स फोर स्टार्टप्स : Fund of Funds for Start-ups (FFS)
Model Contribution Agreement

As you are aware the Fund of Funds for Start-ups (FFS) has been in operation for around 5 years. In terms of extant guidelines for commitment under FFS, contribution agreement (CA) is to be executed by the Alternative Investment Fund (AIF)/ Investment Manager (IM) within a period of 90 days from the date of LOI. However, it is observed that there are delays in execution of CA on account of multiple rounds of discussion/ negotiation of terms by the IM.

Accordingly, to reduce the time gap between acceptance of LOI and execution of Contribution Agreement, SIDBI in consultation with FFS legal counsel as part of reforms in operational matters under FFS has devised a model contribution agreement which shall act as a guiding document for all AIFs/IMs with immediate effect. IMs are advised to peruse the same before applying for commitment under FFS.

भवदीय, /Your faithfully

(सुबोध कुमार /Subodh Kumar)
महाप्रबंधक / General Manager

Encl: यथोपरि / as above.

बैंक हिन्दी में पत्राचार का स्वागत करता है।

भारतीय लघु उद्योग विकास बैंक

नई दिल्ली कार्यालय, तृतीय एवं चतुर्थ तल, आत्मा राम हाउस, 1 टॉलस्टॉय मार्ग, नई दिल्ली-110 001. दूरभाष: 011 23448300

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

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CONTRIBUTION AGREEMENT

FOR

[•]¹

By [•]²

Amongst

[•]

(“Trustee”)

And

[•]

(“Investment Manager”)

And

Fund of Funds for Startups – Ministry of Commerce & Industry, Government of India

(“Contributor”)

Small Industries Development Bank of India

(“SIDBI / Operating Manager”)

¹ Name of Scheme/Fund

² Name of Trust, in case of a scheme construct.

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**CONTRIBUTION AGREEMENT
FOR**

[●]³

This Contribution Agreement (hereinafter referred to as this “**Agreement**”) is executed at _____ on this _____ day of _____, _____:

BY AND AMONGST:

1. [●], a [company] / [LLP], incorporated under the Companies Act, [1956] / [2013] / [Limited Liability Partnership Act, 2008], and having its registered office at [●] (hereinafter referred to as the “**Trustee**” which expression shall, unless repugnant to or inconsistent with the context, mean and include its successors and assigns) of the First Part;

AND

2. [●], a [company] / [LLP], incorporated under the Companies Act, [1956] / [2013] / [Limited Liability Partnership Act, 2008], and having its registered office at [●] (hereinafter referred to as the “**Investment Manager**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the Second Part;

AND

3. **FUND OF FUNDS FOR STARTUPS - THE MINISTRY OF COMMERCE AND INDUSTRY, DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION, STARTUP INDIA SECTION, GOVERNMENT OF INDIA** under Fund of Funds for Startups, represented by Small Industries Development Bank of India as the Operating Manager in terms of their OM no. 5(14)/2016-BE-I(pt.) dated March 27, 2017 (hereinafter referred to as the “**Contributor**” and/or the “**Investor**” and / or “**FFS**” which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and permitted assigns) and acting through SIDBI, of the THIRD PART;

AND

4. **SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA**, a corporation established under the Small Industries Development Bank of India Act, 1989 (39 of 1989), and having its head office at “SIDBI Tower”, 15, Ashok Marg, Lucknow – 226 001 and its office at 3rd & 4th Floor, Atma Ram House, 1, Tolstoy Marg, New Delhi – 110 001, Delhi (hereinafter referred to as “**SIDBI/Operating Manager**” which expression shall unless it be repugnant to the context or meaning thereof be

³ Insert name of scheme/fund.

deemed to mean and include its permitted assigns) acting as an Operating Manager of the Fund of Funds for Startups on behalf of Ministry of Commerce and Industry, Government of India, of the FOURTH PART.

In this Agreement, unless the context otherwise requires, the Trustee, the Investment Manager and the Contributor shall hereinafter be jointly referred to as the "**Parties**", and severally as a "**Party**".

WHEREAS:

1. Under the Indenture (as defined herein below), the Trustee has been appointed by the Settlor (as defined herein below) to act as a trustee to the [●] ("**Trust**"). The Trust is organized as a [contributory determinate trust, settled in India by the Settlor (with Initial Settlement being irrevocable)] under the provisions of the Indian Trusts Act, 1882, pursuant to the Indenture and which is duly registered as a [Category II AIF] under the AIF Regulations (as defined herein below) with registration number [●] dated [●]. [[●] ("**Fund**") is a scheme of the Trust.]
2. The Fund has been floated under the Indenture and shall invest in accordance with the Indenture and this Agreement, and as per Applicable Laws (as defined herein below) in securities of Portfolio Entities (as defined herein below).
3. Under the Investment Management Agreement (as defined herein below), the Trustee has appointed the Investment Manager for the primary purpose of advising, managing and administering the Fund and to invest the Investible Funds (as defined herein below) by providing professional services to the Trust and its scheme/s. The Capital Contribution (as defined herein below) drawn down by the Investment Manager under this Agreement shall be invested by the Fund in terms of the Fund Documents (as defined herein below) and the Contributor having read and understood the same, hereby agrees to the appointment of the Investment Manager for investment of the Investible Funds.
4. The Contributor acknowledges the receipt of the Memorandum, and having read and understood the terms and conditions contained in the Memorandum, hereby agrees to contribute to the Fund on the terms and conditions as contained in this Agreement.
5. The Parties are executing this Agreement to record the terms and conditions based on which the Contributor shall make Capital Contributions to the Fund and subscribe to the Units (as defined herein below) of the Fund and other matters, incidental and ancillary thereto, which they agree will be interpreted, acted upon and governed in accordance with the terms and conditions of this Agreement and the Fund Documents.
6. SIDBI is an operating partner for the Fund of Funds for startups ("**FFS**") programme on behalf of Ministry of Commerce and Industry, Government of India and has been authorized to invest in the Fund by way of subscription of Class [●] Units in accordance with the terms of letter of intent bearing no. [●] dated [●] ("**Letter of Intent**"), the terms

of which have been provided under Annexure A. The Ministry of Commerce and Industry, Government of India, has vested with SIDBI, the authority for operating the Fund of Funds for Startups on its behalf in terms of their OM no. 5(14)/2016-BE-I(pt.) dated March 27, 2017, and to execute contribution agreement with AIFs supported under Fund of Funds for Startups and to manage various procedural / follow-up matters.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1 Definitions

- 1.1. In this Agreement, the following terms shall have the meanings as hereinafter set forth:
- 1.1.1. “**AC Covered Persons**” shall have the meaning ascribed to the term under **Clause 15.1** of this Agreement.
 - 1.1.2. “**Additional Return**” shall have the meaning ascribed to the term under **Clause 10.4** of this Agreement.
 - 1.1.3. “**Additional Return Recipients**” shall have the meaning ascribed to the term under **Clause 10.4** of this Agreement.
 - 1.1.4. “**Advisory Committee**” shall have the meaning ascribed to the term under **Clause 2.14.2** of this Agreement.
 - 1.1.5. “**Affiliate**” means, with respect to any specified Person, any Person, which, directly or indirectly, controls, is controlled by or is under common control with such specified Person. “**Control**”, for the purpose of this definition, shall mean, as applied to any Person, the power or right to, directly or indirectly: (i) direct or cause the direction of the management of that Person; (ii) direct or cause the direction of the policy decisions exercisable by that Person; or (iii) nominate for appointment the majority of the directors on the board of directors (or an analogous governing body in case the Person is not a company) of that Person, by virtue of ownership or by virtue of receiving the economic benefit of ownership of voting securities or management rights or contract or in any other manner; or (iv) receive a majority of the economic benefit or own a majority of the capital of a Person. In case of a natural person, Affiliate shall mean to include his “**relative**” as defined in Section 2(77) of the Companies Act, 2013.
 - 1.1.6. “**Agreement**” means this contribution agreement as originally executed on the date first mentioned above, by and between the Contributor, the Trustee and the Investment Manager in respect of the Fund whereby the Contributor makes its Capital Commitment

and agrees to make its Capital Contributions and as amended, modified, supplemented or restated from time to time, together with all annexure, schedules and exhibits, if any.

- 1.1.7. “**AIF Regulations**” means the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 and as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
- 1.1.8. “**Alternative Investment Fund**” or “**AIF**” means an alternative investment fund registered under the AIF Regulations under an appropriate category.
- 1.1.9. “**Applicable Law**” means the laws of the Republic of India and includes ordinance, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in the Republic of India and rules and regulations issued pursuant to or under such laws, including the AIF Regulations (each such law, regulation, rule, circular, by whatever name called, as amended or supplemented from time to time).
- 1.1.10. “**Auditors**” means any one of Deloitte Touche Tohmatsu, Ernst & Young, KPMG, PricewaterhouseCoopers and their relevant local affiliations in India appointed by the Trustee/Investment Manager from time to time to be the auditors of the Fund, or any independent qualified firm of chartered accountants approved by the Advisory Committee and appointed by the Trustee/Investment Manager from time to time to be the auditors of the Fund.
- 1.1.11. “**Beneficial Interest**” means the interest held by each of the Contributors in the Fund as determined in accordance with Annexure A of the Indenture at the time of Final Closing and as amended from time to time.
- 1.1.12. “**Body Corporate**” means any company, body corporate or other artificial juridical Person incorporated under Applicable Law or laws of any other jurisdiction, competent to contract as a legal Person distinct from its owners or members, and whose life extends beyond the life of its owners or members.
- 1.1.13. “**Business Day**” means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed.
- 1.1.14. “**Catch-up Contribution**” shall have the meaning ascribed to the term under **Clause 3.1.2** of this Agreement.

- 1.1.15. “**Capital Commitment**” means the aggregate amount agreed by a Contributor in writing, to be contributed in accordance with the provisions of this Agreement. The Contributor’s Capital Commitment is set forth in **Schedule I**.
- 1.1.16. “**Capital Contribution**” means that portion of the Capital Commitment contributed by a Contributor to the Fund, pursuant to the issuance of Drawdown Notice/s in accordance with the provisions of this Agreement.
- 1.1.17. “**Cause**” shall have the meaning ascribed to the term under **Clause 12.5** of this Agreement.
- 1.1.18. “**Class**” or “**Class of Units**” with respect to Units of the Fund means a class or category of Units, as distinct from another class or category of Units of the Fund, and is distinct from the rights and interest of Units of the other class or category of Units vis-à-vis the respective schemes of the Trust.
- 1.1.19. “**Class A Units**” shall have the meaning ascribed to the term under **Clause 2.9.1(a)** of this Agreement.
- 1.1.20. “**Class A Unitholders**” shall have the meaning ascribed to the term under **Clause 2.9.1(a)** of this Agreement.
- 1.1.21. “**Class A Distribution Proceeds**” shall have the meaning ascribed to the term under **Clause 10.4** of this Agreement.
- 1.1.22. “**Class B Units**” shall have the meaning ascribed to the term under **Clause 2.9.1(b)** of this Agreement.
- 1.1.23. “**Class B Unitholders**” shall have the meaning ascribed to the term under **Clause 2.9.1(b)** of this Agreement.
- 1.1.24. “**Class C Units**” shall have the meaning ascribed to the term under **Clause 2.9.1(c)** of this Agreement.
- 1.1.25. “**Class C Unitholders**” shall have the meaning ascribed to the term under **Clause 2.9.1(c)** of this Agreement.
- 1.1.26. “**Clawback Determination Date**” shall have the meaning ascribed to the term under **Clause 11.1** of this Agreement.
- 1.1.27. “**Clawback Obligation**” shall have the meaning ascribed to the term under **Clause 11.1** of this Agreement.

- 1.1.28. “**Clawback Obligor**” shall have the meaning ascribed to the term under **Clause 11.1** of this Agreement.
- 1.1.29. “**Commitment Period**” shall have the meaning ascribed to the term under **Clause 2.8** of this Agreement.
- 1.1.30. “**Compensatory Contribution**” shall have the meaning ascribed to the term under **Clause 3.1.2** of this Agreement.
- 1.1.31. “**Conflicted Transaction**” shall have the meaning ascribed to the term under **Clause 18.1** of this Agreement.
- 1.1.32. “**Contribution Agreement(s)**” means each of the contribution agreements entered into by the Trustee and the Investment Manager with a Contributor, including this Agreement.
- 1.1.33. “**Contributors**” or “**Investors**” or “**Beneficiaries**” means the Eligible Persons signatory to a Contribution Agreement, each of whom make Capital Commitments to the Fund in accordance with its Contribution Agreement. In respect of joint Investors, reference to “Contributor” in this Agreement shall, unless otherwise specified, mean reference to joint investors, jointly and severally.
- 1.1.34. “**Corpus**” means the amount of Capital Commitments made by the Contributors to the Fund by way of the Contribution Agreements as on a particular date.
- 1.1.35. “**Covered Persons**” shall have the meaning ascribed to the term under **Clause 15.1** of this Agreement.
- 1.1.36. “**Default Amount**” shall have the meaning ascribed to the term under **Clause 9.1** of this Agreement.
- 1.1.37. “**Distribution Proceeds**” shall have the meaning ascribed to the term under **Clause 10.2** of this Agreement.
- 1.1.38. “**Drawdown**” means the Capital Contribution made by a Contributor to the Fund (and received by the Fund) against its respective Capital Commitment pursuant to the issuance of a Drawdown Notice.
- 1.1.39. “**Drawdown Notice**” means any notice, in the form prescribed under this Agreement (*Exhibit A*), issued by the Trustee or the Investment Manager to the Contributors of the Fund, calling for the making of Capital Contribution from the amount of Unpaid Capital Commitment.

- 1.1.40. **“Elected MFN Right”** shall have the meaning ascribed to the term in **Clause 20** of this Agreement.
- 1.1.41. **“Eligible Person/Investor”** means a Person who
- (i) is a fit and proper Person;
 - (ii) complies with KYC norms stipulated by the Investment Manager and SEBI; and
 - (iii) is willing to execute a contribution agreement and the necessary documentation contemplated under such contribution agreement.
- 1.1.42. **“Escrow Account”** has the meaning as given to the term under **Clause 11.2** of this Agreement.
- 1.1.43. **“Excused Contributor”** has the meaning as given to the term under **Clause 2.27.1** of this Agreement
- 1.1.44. **“Extended Term”** has the meaning as given to the term under **Clause 4** of this Agreement.
- 1.1.45. **“FATCA Implementation Rules”** has the meaning as given to the term under **Clause 2.25.1** of this Agreement.
- 1.1.46. **“Feeder Fund”** has the meaning as ascribed to the term under **Clause 2.11** of this Agreement.
- 1.1.47. **“Fees Subject to Offset”** means amounts received by any Insider from any Portfolio Company or prospective Portfolio Company as directors’ fees, monitoring fees, break-up fees, advisory fees, consulting fees or any other compensation, either cash or non-cash (provided that with respect to any amounts received by an Insider from an actual or prospective Portfolio Company in which both the Fund and another vehicle managed by the Investment Manager or an Affiliate thereof has invested (or proposed to invest), the Fund’s pro rata share (based on the amount invested or to be invested by the Fund and such other vehicle(s)) shall be considered “Fees Subject to Offset”), excluding: any amounts approved by the Advisory Committee as not being Fees Subject to Offset.
- 1.1.48. **“Final Closing”** means the last of the closings permitted by the Investment Manager for accepting Capital Commitments to the Fund in accordance with the terms of the Fund Documents, which will be held no later than [●].

- 1.1.49. “**First Closing**” means the date fixed by the Investment Manager for the initial subscription of Units of the Fund by the proposed Contributors, in accordance with the terms of the Fund Documents.
- 1.1.50. “**Follow-On Investment**” means a Portfolio Investment in an existing Portfolio Company (or in its Affiliates) in order to preserve, protect or enhance the value of the Fund’s existing Portfolio Investment in such Portfolio Company and which shall be made within 24 (twenty-four) months from the expiry of the Commitment Period.
- 1.1.51. “**Fund**” means [●], which is the [first] scheme of the Trust.
- 1.1.52. “**Fund Documents**” means the Indenture, the Investment Management Agreement and this Agreement, as originally executed and amended, modified, supplemented or restated from time to time, together with the respective annexure, schedules and exhibits, if any.
- 1.1.53. “**Fund Expenses**” shall have the meaning ascribed to the term under **Clause 8.1** of this Agreement.
- 1.1.54. “**Giveback Proceeding**” shall have the meaning ascribed to the term under **Clause 2.16.3** of this Agreement.
- 1.1.55. “**Government**” means any Indian central, state or local government authority, agency, branch or body or any instrumentality thereof.
- 1.1.56. “**Government of India**” means the central government of the Republic of India.
- 1.1.57. “**Hurdle Rate of Return**” means the internal rate of return calculated with respect to each Contributor at a compounded rate of return of [●]⁴ per cent per annum (pre-tax, but only to the extent of taxes paid by the Trustee on behalf of such Contributor pursuant to **Clause 2.26.1(i)** and taxes paid by such Contributor on its own behalf), compounded annually.
- 1.1.58. “**IM Additional Return**” shall have the meaning ascribed to the term under **Clause 12.5** of this Agreement.
- 1.1.59. “**Indenture**” means the indenture of Trust dated May 10, 2016, as executed by and between the Settlor (as defined herein below) and the Trustee for the creation of the Trust and registered under the

⁴ To be added basis commercial agreement between parties.

provisions of the Registration Act, 1908, as may be further amended, modified and superseded from time to time.

- 1.1.60. “**Independent Contributors**” shall mean, without prejudice to the provisions of **Schedule IV**, any Contributor that is not an Insider.
- 1.1.61. “**Independent Valuer**” shall have the meaning ascribed to the term under **Clause 2.24** of this Agreement.
- 1.1.62. “**Initial Settlement**” means the sum of Rs. 10,000 (Rupees Ten Thousand only), being the initial sum irrevocably transferred and delivered by the Settlor to the Trustee towards the creation of the Corpus of the Trust⁵.
- 1.1.63. “**INR**” or “**Rs.**” means the currency of the Republic of India.
- 1.1.64. “**Insider**” means (a) the Investment Manager and its directors, shareholders, members, partners, officers, employees and Affiliates, (b) the Sponsors and their respective directors, shareholders, members, partners, officers, employees and Affiliates, (c) each Class B Contributor and Class C Contributor and their respective Affiliates, (d) any entity advised or managed by any of the foregoing, and (e) directors, shareholders, members, partners, officers, and employees of Affiliates referred to in each of (a) and (b).
- 1.1.65. “**Investible Funds**” means the Corpus as reduced by the Fund Expenses. The Investment Manager shall invest such Investible Funds in terms of the Fund Documents.
- 1.1.66. “**Investment**” means Portfolio Investments and/or Temporary Investments of the Fund, as the context requires.
- 1.1.67. “**Investment Committee**” shall have the meaning ascribed to the term under **Clause 2.14.1** of this Agreement.
- 1.1.68. “**Investment Management Agreement**” means the investment management agreement entered into by and between the Trustee and the Investment Manager on [●], in respect of management services to the Trust and the Fund, and as may be amended, modified or superseded from time to time.
- 1.1.69. “**Investment Management Fee**” shall have the meaning ascribed to the term under **Clause 8.3** of this Agreement.

⁵ Investment Manager to confirm.

- 1.1.70. “**Investment Manager**” means [●] appointed as the investment manager of the Trust and the Fund (including other schemes, if any) in accordance with the Investment Management Agreement.
- 1.1.71. “**Investment Proceeds**” shall have the meaning ascribed to the term under **Clause 10.1** of this Agreement.
- 1.1.72. “**Investment Proportion**” means, with respect to each Contributor, the ratio of the Capital Contributions made by such Contributor for an Investment to the aggregate Capital Contributions of all Contributors for such Investment. Provided that if an Investment is funded by Operating Reserves or amounts that would otherwise have been distributed to the Contributors, then the Investment Proportion of each Contributor with respect to such Investment shall take into account their respective proportionate share of such amounts utilised towards such Investment.
- 1.1.73. “**Key Person Event**” shall have the meaning ascribed to the term under **Clause 12.6(a)** of this Agreement.
- 1.1.74. “**Key Persons**” shall mean [●]⁶.
- 1.1.75. “**Liquidation Period**” shall have the meaning ascribed to the term under **Clause 12.3** of this Agreement.
- 1.1.76. “**Losses**” shall have the meaning ascribed to the term under **Clause 15.1** of this Agreement.
- 1.1.77. “**Majority of the Contributors**” in respect of the Fund means such number of Independent Contributors (or the relevant Class of Independent Contributors) whose Capital Commitments in aggregate amount to at least a majority of the aggregate of all Capital Commitments to the Fund from Independent Contributors (or the Capital Commitments held by the relevant Class of Independent Contributors, as applicable).
- 1.1.78. “**Malfeasance**” shall have the meaning ascribed to the term under **Clause 15.1** of this Agreement.
- 1.1.79. “**Manager Own Expenses**” shall have the meaning ascribed to the term under **Clause 8.6** of this Agreement.
- 1.1.80. “**Memorandum**” means the private placement memorandum issued by the Investment Manager for the Fund, inviting offers for Capital Commitments from prospective Contributors for the subscription

⁶ Names of the key persons to be added basis commercial agreement between the parties.

and purchase of Units of the Fund on a private placement basis. A reference to Memorandum includes any supplements thereto made or required in accordance with the Fund Documents or Applicable Law.

- 1.1.81. “**MFN Rights**” shall have the meaning ascribed to the term in **Clause 20** of this Agreement.
- 1.1.82. “**MFN Notice**” shall have the meaning ascribed to the term in **Clause 20** of this Agreement.
- 1.1.83. “**MFN Election Notice**” shall have the meaning ascribed to the term in **Clause 20** of this Agreement.
- 1.1.84. “**Operating Expenses**” shall have the meaning ascribed to the term under **Clause 8.2** of this Agreement.
- 1.1.85. “**Operating Reserves**” shall mean the operating reserves of the Fund, which may not exceed, at any given point of time, 1% of the aggregate Capital Commitments of the Fund, provided that (i) amounts held by the Fund within the 90-day period described in **Clause 10.2** and (ii) amounts that the Fund is required to withhold pursuant to **Clause 2.26.1(i)** shall not be counted towards the cap on Operating Reserves.
- 1.1.86. “**Person**” means and refers to any individual, sole proprietorship, association of persons, Body Corporate, partnership, body of individuals, trust or other legal entity or organisation, whether incorporated or not, including a Government or an agency or instrumentality thereof.
- 1.1.87. “**Portfolio Entity**” or “**Portfolio Company**” means such company, special purpose vehicle, limited liability partnership, association of persons, body corporate or other permissible entity/enterprise/association of persons, whether Indian or foreign, in which the Fund invests in securities/partnership interest/beneficial interest, in accordance with the Applicable Laws.
- 1.1.88. “**Portfolio Investments**” means an investment made by the Fund in one or more Portfolio Entities and excludes Temporary Investments.
- 1.1.89. “**RBI**” means the Reserve Bank of India established under the Reserve Bank of India Act, 1934.
- 1.1.90. “**Regulations**” means the SEBI (Alternative Investment Funds) Regulations, 2008, as amended from time to time.

- 1.1.91. “**Relevant Contributor**” shall have the meaning ascribed to the term in **Clause 20** of this Agreement.
- 1.1.92. “**Required Interest**” shall have the meaning ascribed to the term under **Clause 21.1** of this Agreement.
- 1.1.93. “**Replacement Key Persons**” shall have the meaning ascribed to the term under **Clause 12.6(b)** of this Agreement.
- 1.1.94. “**Reserved Investments**” means Investments or potential Investments that are in process and (i) which the Fund is legally obligated to make pursuant to a legally binding agreement entered into prior to the end and/or suspension of the Commitment Period; or (ii) in respect of which the Fund or the Investment Manager has entered into a letter of intent, memorandum of understanding or any such document prior to the end and/or suspension of the Commitment Period, provided that such letter of intent, memorandum of understanding or other such document shall contemplate the investment being made within 4 (four) months after the end or suspension of the Commitment Period (and for the avoidance of doubt, following the cessation of such 4 (four) month period, such potential Investment shall cease to be a Reserved Investment).
- 1.1.95. “**SEBI**” means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.1.96. “**Set-up Costs**” shall have the meaning ascribed to the term under **Clause 8.4** of this Agreement.
- 1.1.97. “**Settlor**” means [●], who has settled the Trust.
- 1.1.98. “**Side Letter**” shall have the meaning ascribed to the term under **Clause 19.4** of this Agreement.
- 1.1.99. “**Sponsor/s**” means [●].
- 1.1.100. “**Startup**” shall have the meaning ascribed to the term under **Annexure A** of this Agreement.
- 1.1.101. “**Statement of Accounts**” means a statement issued by the Investment Manager on behalf of the Fund to the Contributors specifying the number of Units held by the Contributors and evidencing a Beneficial Interest in the Fund.

- 1.1.102. “**Sub-classes of Units**” means a sub-class of a Class of Units.
- 1.1.103. “**Subsequent Closing**” shall have the meaning ascribed to the term under **Clause 3.1.1** of this Agreement.
- 1.1.104. “**Subsequent Contributor**” shall have the meaning ascribed to the term under **Clause 3.1.1** of this Agreement.
- 1.1.105. “**Successor Fund**” shall have the meaning ascribed to the term under **Clause 2.10.1** of this Agreement.
- 1.1.106. “**Super-Majority of the Contributors**” in respect of the Fund means such number of Independent Contributors (or the relevant Class of Independent Contributors) whose Capital Commitments in aggregate amount to at least 75% of the aggregate of all Capital Commitments to the Fund from Independent Contributors (or the Capital Commitments held by the relevant Class of Independent Contributors, as applicable).
- 1.1.107. “**Suspension Period**” shall have the meaning ascribed to the term under **Clause 12.6(c)** of this Agreement.
- 1.1.108. “**Taxes**” or “**Tax**” means all taxes, duties, surcharge, cess and other levies of whatever nature, payable to, levied by, imposed upon by, claimed to be owed to any national, state, municipal, local, foreign or other authority having the power to tax, including any interest, penalties, or other additions thereto.
- 1.1.109. “**Temporary Investments**” shall have the meaning ascribed to the term under **Clause 10.1** of this Agreement.
- 1.1.110. “**Term**” means the term of the Fund, as indicated in **Clause 4** of this Agreement.
- 1.1.111. “**Trust**” means ‘[●]’, organised as a [contributory determinate trust, settled in India by the Settlor (with Initial Settlement being irrevocable)] under the provisions of the Indian Trusts Act, 1882, pursuant to the Indenture and registered as a [Category II Alternative Investment Fund] under the AIF Regulations.
- 1.1.112. “**Trustee**” means [●] or such other Person that may be appointed under the terms of the Indenture.
- 1.1.113. “**Trusteeship Fees**” shall have the meaning ascribed to the term under **Clause 8.5** of this Agreement.

- 1.1.114. “**Two-Third Majority of the Contributors**” in respect of the Fund means such number of Independent Contributors (or the relevant Class of Independent Contributors) whose Capital Commitments in aggregate amount to at least two-third of the aggregate of all Capital Commitments to the Fund from Independent Contributors (or the Capital Commitments held by the relevant Class of Independent Contributors, as applicable).
- 1.1.115. “**Unit**” means a unit of any Class evidencing Beneficial Interest in the Fund issued by the Trustee/Investment Manager to a Contributor on the making of a Capital Contribution.
- 1.1.116. “**Unit Certificate**” means certificates which may be issued by the Trustee/Investment Manager to Contributors specifying the number of Units held by the Contributors and evidencing a Beneficial Interest in the Fund.
- 1.1.117. “**Unpaid Capital Commitment**” shall mean, with respect to any Unitholder at any time, such Unitholder’s Capital Commitment less such Unitholder’s Capital Contributions as of the date of determination plus any amounts returned to a Contributor and added to its Unpaid Capital Commitment pursuant to **Clauses 2.6** and **3.1.2** below.

Capitalized terms used herein, which are not otherwise defined, shall have the meanings set forth in other Fund Documents (as the context may require).

- 1.2. In this Agreement, unless the context otherwise requires:
- 1.2.1. any provision of this Agreement which is stated to be applicable to the “Contributors” to the Fund as a Class of investors shall, unless the context otherwise requires, also be deemed to be applicable to the Contributor entering into this Agreement;
- 1.2.2. words in the singular shall include words in the plural and vice versa, provided that references to “the Investor” or “the Contributor” or “the Beneficiary” shall be deemed to refer only to the Contributor who is a party to this Agreement;
- 1.2.3. the headings and sub-headings used in this Agreement are inserted only for reference to the provisions hereof and shall not affect the construction of such provisions;
- 1.2.4. a reference to a thing includes a part of that thing;

- 1.2.5. where the day by which anything is to be done is not a Business Day, that thing must be done by the Business Day following immediately thereafter;
- 1.2.6. reference to any one gender would include a reference to any other gender;
- 1.2.7. references to Clauses and Parties herein are references to the clauses of, and parties to this Agreement;
- 1.2.8. references to the word "include" shall be construed without limitation;
- 1.2.9. references in this Agreement to statutory provisions shall be construed as references to those provisions as modified or re-enacted from time to time (whether before or after the date of this Agreement) and to any subordinate legislation made under such provisions and shall include references to any repealed statutory provision which has been so re-enacted (whether with or without modification);
- 1.2.10. in the event that the descriptions or terms in this Agreement are inconsistent with or contrary to the descriptions in or terms of any of the other Fund Documents, then this Agreement shall prevail over such other Fund Documents;
- 1.2.11. AIF Regulations: If any provision in this Agreement (including the Fund's investment limitations, the Fund's ability to borrow and any voting threshold for the consent of the Advisory Committee or the Contributors) is more onerous for the Fund, Investment Manager or the Trustee at any time than any requirement, restriction or limitation under the AIF Regulations, then, notwithstanding any provision to the contrary, the more onerous provisions of this Agreement shall nevertheless prevail;
- 1.2.12. where any statement in this Agreement is qualified by the Investment Manager's knowledge or awareness or any similar expression, it shall be deemed to include an additional statement that it has been made after due and careful enquiry; and
- 1.2.13. the recitals, schedules, exhibits form an integral part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement. Any reference to this Agreement shall include the recitals, schedules and exhibits, as the case may be.

2 Agreement and Terms of Contribution

The objective of the Fund is to [●]⁷.

For the avoidance of doubt, without prejudice to any investment related restrictions set out in the Fund Documents, all investments made or to be made by the Fund shall additionally be subject to applicable restrictions specified in the AIF Regulations from time to time.

2.1. Amount of Capital Commitment; Currency

Subject to the terms and conditions of this Agreement, the Contributor agrees to contribute to the Fund an aggregate amount, as set out in **Schedule I** being the Capital Commitment (hereinafter referred to as the “**Capital Commitment**”).

Provided that the Capital Commitment agreed to be contributed by the Contributor shall not be less than Rs. 1,00,00,000 (Rupees One Crore only), or such other amount as the Investment Manager may prescribe in compliance with the AIF Regulations.

The Capital Commitments and Capital Contributions shall be denominated in Indian Rupees, pursuant to the succeeding paragraph. All calculations relating to the economic provisions of this Agreement shall be made in INR.

2.2. Procedure for Contribution; Closing

The Investment Manager will call Capital Contributions from each Contributor on an “as needed” basis as follows:

- (i) For Portfolio Investments, the Investment Manager shall draw down from the Contributors pro rata based on their respective Unpaid Capital Commitments.
- (ii) For Fund Expenses (other than Investment Management Fee and other than taxes payable on the Investment Management Fee pursuant to **Clause 8.3**), the Investment Manager shall draw down from the Contributors pro rata based on their respective Capital Commitments, provided that for Fund Expenses related to a Portfolio Investment, the Investment Manager shall draw down from the Contributors pro rata based on their Investment Proportions in such Portfolio Investment; and
- (iii) For Investment Management Fee, the Investment Manager shall draw down from each Unitholder, the amount of

⁷ Objective of the Fund is to be added in line with the PPM.

Investment Management Fee payable by the Fund with respect such Unitholder, as applicable, as determined in accordance with **Clause 8.3**.

The Investment Manager will provide each Contributor with a Drawdown Notice describing the Capital Contributions required from such Contributor pursuant to this **Clause 2.2**. The Drawdown Notice will be sent by the Investment Manager through facsimile, electronic mail, registered post/courier at the address as may be specified by the Contributor in its Contribution Agreement and such Drawdown Notice shall be deemed to have been received by the Contributor within 4 (four) days from the date of dispatch of the courier; within 24 hours from the electronic mail being sent or upon receiving the confirmation of transmission of the facsimile.

No Contributor shall be obligated to make a Capital Contribution to the Fund on any date in excess of the amount of its Unpaid Capital Commitment on such date.

- 2.3. The Contributor shall be required to make their contribution against their Capital Commitment on or prior to the date mentioned in the Drawdown Notice which shall be at least 30 (Thirty) days after the date of the Drawdown Notice.
- 2.4. Amounts received from the Contributors towards their Capital Commitment will be treated by the Fund as consideration for the issue of Units to the Contributor.
- 2.5. The Investment Manager may call, and may cause the Fund to use, Capital Contributions only to make Portfolio Investments, pay Fund Expenses, and establish Operating Reserves, in accordance with this Agreement.
- 2.6. Any Capital Contributions that are not used by the Fund to make Portfolio Investments, pay Fund Expenses, or establish Operating Reserves within 60 (Sixty) calendar days of the due date of a Drawdown, shall be promptly returned by the Investment Manager to the Contributors who made such Capital Contributions (in the proportion in which they funded the Drawdown). For the avoidance of doubt, (i) the Hurdle Rate of Return shall accrue on all Capital Contributions returned pursuant to this **Clause 2.6** during the time such amounts were held by the Fund, and (ii) Capital Contributions returned pursuant to this **Clause 2.6** shall increase the Unpaid Capital Commitment of each such Contributor.
- 2.7. The Investment Manager shall ensure that any funds of the Fund (including Operating Reserves), other than amounts invested by the Fund in Portfolio Investments, shall be held in Temporary Investments.
- 2.8. Commitment Period

- 2.8.1. The Commitment Period for the Fund shall be the period from the First Closing until the earlier of (a) [●]⁸ years from the date of the First Closing that may be extended for an additional period of [●] months with consent of Super-Majority of the Contributors; and (b) such early termination as set out herein, and such extended or truncated period shall be referred to as “**Commitment Period**”.

Capital Commitments may be drawn down for Investments only during the Commitment Period upon issuance of a Drawdown Notice to the Contributors during the Commitment Period as described in **Clauses 2.2** and **2.3** (provided that if a Drawdown Notice for an Investment has been issued prior to the expiry of the Commitment Period and the Drawdown Date is post the Commitment Period (and the Investment Manager reasonably expects that the Fund will need to use the amounts contributed pursuant to such Drawdown Notice within [45 days] from the Drawdown Date), the Contributor shall be liable to fund such Drawdown pursuant to such Drawdown Notice). For the avoidance of doubt, Drawdowns may be made after the Commitment Period for the purposes set out in **Clause 2.8.2**.

- 2.8.2. After the expiration of the Commitment Period, the Fund may not make any new Portfolio Investments other than Reserved Investments and Follow-On Investments. From the expiry of the Commitment Period and until the end of the term (or Extended Term, as the case may be), the Contributors shall not be required to make any further Capital Contributions except:

- (i) to the extent necessary to complete Reserved Investments;
- (ii) to the extent necessary to cover the Fund Expenses;
- (iii) fund any Follow-On Investments;
- (iv) to fund any Operating Reserves; and
- (v) to the extent required to repay borrowings in accordance with Clause 27.

and in each of the foregoing events, the Investment Manager shall issue a Drawdown Notice, for which purposes, **Clauses 2.2** to **2.7**, as applicable, shall govern.

- 2.8.3. The First Closing of the Fund will be held when Capital Commitments have been made by Contributors amounting to Rs. 20,00,00,000 (Indian Rupees Twenty Crores Only) or such other amount as may be

⁸ To be added basis commercial agreement between parties.

decided by the Investment Manager. The Investment Manager may hold one or more Subsequent Closing(s) during the Commitment Period. The Final Closing of the Fund will be held on or before the expiry of the Commitment Period, provided that the Final Closing of the Fund will be held no later than [●]⁹.

2.8.4. The Commitment Period shall terminate immediately upon the vote in favour of termination by a Super-Majority of the Contributors at any time and for any reason.

2.9. [Issue and transfer of Units]¹⁰

2.9.1. The Fund will issue 3 classes of units as follows:

- (a) Class A Units (including sub-class or Series thereof) with a face value of Rs. 100 (“**Class A Units**” and the holders thereof referred to as “**Class A Unitholders**”) to be allotted to Eligible Investors.
- (b) Class B Units evidencing Beneficial Interest to be allotted to the Sponsor towards its Sponsor Commitment, at a face value of Rs. 100 (“**Class B Units**” and the holders thereof referred to as “**Class B Unitholders**”).
- (c) Class C Units evidencing Beneficial Interest shall be issued by the Investment Manager, in consultation with the Trustee, to such Eligible Person/s as the Investment Manager may designate, which Eligible Person/s must be employees of the Investment Manager who are actively involved with the business of the Fund, at a face value of Rs. 100 (“**Class C Units**” and the holders thereof referred to as “**Class C Unitholders**”)

2.9.2. The Investment Manager shall cause the Fund to issue Units to the Contributors upon making of Capital Contributions. As may be necessary or desirable from time to time (including for legal, regulatory and/or other considerations), the Investment Manager may issue, subject to the terms of the Fund Documents, separate classes or series other than as contemplated in **Clause 2.9.1**, providing the holders of such Units with rights that differ from those of the holders of other classes or series, but in each case, unless expressly contemplated in the Fund Documents, without adversely affecting the

⁹ To be updated basis commercial agreement between the parties.

¹⁰ To be updated basis proposed class structure of Fund.

rights and interests of any other than existing classes or series of Units.

Towards the continuing interest in the Fund, the Sponsors will commit an aggregate Capital Commitment of 2.5% (two point five percent) of the Corpus or Rs. 5,00,00,000 (Indian Rupees Five Crore Only), whichever is lower, in accordance with the AIF Regulations, or such higher amount as decided by the Sponsors (provided that, for the avoidance of doubt, the Sponsors may not increase their Capital Commitments after the Final Closing) ("**Sponsor Commitment**").

2.9.3. *Transfer of Units*: Except as otherwise expressly provided in this Agreement, including but not limited to termination, the Contributors are not permitted to withdraw from the Fund. Contributors are not permitted to transfer/pledge any of their Units, Capital Commitment, interests, rights or obligation with regard to the Fund, unless undertaken with the prior approval of the Investment Manager and subject to fulfilling the following requirements and as per Applicable Laws:

- (a) Such transferee is a fit and proper Person and has not been convicted of any offence;
- (b) Such a transfer will not contravene any Applicable Laws or otherwise is not prejudicial to the interests of the Trust;
- (c) Such transferee shall comply with the know your client (KYC) norms as prescribed by the Investment Manager and SEBI; and
- (d) Such transferee is willing to execute a contribution agreement and the necessary documentation contemplated under such contribution agreement.

Provided that, a Contributor may transfer/pledge any of its Units, Capital Commitment, interests, rights or obligation with regard to the Fund to an Affiliate of such Contributor with prior notice to the Investment Manager, without requiring prior approval of the Investment Manager, provided that for the avoidance of doubt, such transfer and transferee shall be required to fulfil the requirements set out in sub-clauses (a) to (d) above.

In the event of such transfer by a Contributor, the new contributor shall be taken on record only post executing a Deed of Adherence acknowledging to be bound by the terms and conditions of the Fund Documents in terms of provisions of **Clause 19.7** hereinafter. Costs

and duties with respect to such deed of adherence shall be borne by the new contributor.

2.10. Successor Funds

2.10.1. Prior to the earlier of: (a) the date on which at least 70% (seventy per cent) of the aggregate Capital Commitments, have been invested in Portfolio Investments, or set aside for Reserved Investments, Follow-On Investments; and (b) completion of the Commitment Period, the Investment Manager and Sponsor shall not, and shall procure that none of its Affiliates nor the Key Persons, shall, admit investors to, act as key person, investment manager, sponsor and/or investment advisor to, and/or secure any investment opportunity with respect to, any other investment vehicle or managed account with investment objectives substantially similar to those of the Fund ("**Successor Fund**"). The Investment Manager may, in accordance with the Applicable Law, set up or manage funds whose investment objectives are different to that the Fund.

2.10.2. The Investment Manager shall immediately notify the Contributors if any Successor Fund admits any investors or is organised.

2.11. Feeder Funds¹¹

2.11.1. Subject to Applicable Law (including the AIF Regulations, as applicable), the Sponsor and/or the Investment Manager may establish feeder funds ("**Feeder Funds**") that will invest substantially all of their assets in the Fund, in order to accommodate the legal, regulatory and/or other requirements of potential investors.

2.11.2. Each investor of a Feeder Fund shall have the same rights as the investors in the Fund, subject to the exceptions under [●].

2.11.3. If such Feeder Fund is unable to secure the requisite regulatory approvals, the Feeder Fund may make co-investments alongside the Fund. However, in such a case, the rights of all investors in the Feeder Fund shall rank pari-passu in the Fund, subject to the exceptions under [●].

2.11.4. The following special terms will apply to the terms of investment of a Feeder Fund in the Fund in recognition of the fact that it would invest substantially all capital commitments it receives from its investors in the Fund:

¹¹ To be deleted, if not applicable.

- (a) The provisions of **Clause 2.11** shall apply only to such part of the Units held by the Feeder Fund as are attributable to the default of the investor(s) of such Feeder Fund on account of which a default occurs.
- (b) If a Feeder Fund is required, permitted, authorized or requested to vote or grant any consent or approval on any matter in its capacity as a Contributor or otherwise, under or in relation to the Fund Documents, without prejudice to the provisions of **Schedule IV**, the Feeder Fund shall, and the Fund shall permit such Feeder Fund to, cast (or abstain from casting, as the case may be) its votes, or grant or abstain from granting its consent or approval, as a Contributor in such proportions that represent the votes cast (or not cast) by the Feeder Fund's investors in respect of the relevant matter.
- (c) Capital Commitments to the Fund will be denominated and drawn down in INR and capital commitments to a Feeder Fund may, subject to applicable law, be denominated in USD.

2.11.5. Each investor of a Feeder Fund will bear its *pro rata* share of the Feeder Fund's expenses, such as the administrative costs of maintaining the Feeder Fund, and distributions to the investors of the Feeder Fund by the Feeder Fund will be net of such expenses.

2.12. Voting

For matters requiring the approval, consent or vote of the Contributors, the approval, consent or vote will be on the basis of the relevant threshold in terms of the Capital Commitments and not the number of Contributors, in accordance with the Fund Documents. If the approval, consent or vote of the Contributors is required in respect of any matter that is both: (i) required by the AIF Regulations; and (ii) a matter on which only Independent Contributors are permitted to provide their vote, consent or approval under the Fund Documents, then such matter must achieve the requisite vote, consent or approval under both (i) and (ii) in order for it to be approved or passed, as applicable.

2.13. Delivery of Statement of Accounts and register of Contributors

2.13.1. The Investment Manager, in accordance with this Agreement and the Fund Documents, on behalf of the Fund shall deliver to each Contributor the Statement of Accounts, evidencing the number of Units held by the Contributor.

The Investment Manager may, if so required by the Contributors, issue Unit Certificates in lieu of Statement of Accounts, provided that the

stamp duty on such Unit Certificates, if any, is borne by the Contributors to whom the Unit Certificates are being issued.

2.13.2. The Investment Manager shall maintain a register of Contributors, in which the name of the Contributor shall be entered as the holder of the Units issued to it and other particulars as the Investment Manager may deem relevant.

2.14. Investment Committee and Advisory Committee

2.14.1. The Investment Manager will constitute an investment committee ("**Investment Committee**") whose members shall be appointed by the Investment Manager. The Investment Manager shall have the power to re-constitute the Investment Committee from time to time, with the approval of the Advisory Committee.

The initial composition of the Investment Committee shall be [●]¹². The Investment Committee shall make decisions by a majority vote of its members unless approved otherwise by the Advisory Committee.

The terms of appointment and scope of services of the members of the Investment Committee will be provided by way of a separate letter of appointment to the Investment Committee members.

2.14.2. The Investment Manager shall constitute an investor advisory committee ("**Advisory Committee**") comprising of such representatives of holders of Class A Units, as may be determined by the Investment Manager which may include Investors satisfying certain eligibility requirements determined by the Investment Manager. No member of the Advisory Committee shall be an Insider or representative of an Insider.

The functions of the Advisory Committee include: (a) advising on issues involving conflicts of interest presented by the Investment Manager; (b) reviewing the valuation policy of the Fund; and (c) any other matters determined by the Investment Manager or as required under the Fund Documents. Except as otherwise provided herein, the Advisory Committee shall make decisions by a vote of a majority of its members.

The Investment Manager shall call at least one meeting of the Advisory Committee each year. In addition, any member of the Advisory Committee may call a meeting of the Advisory Committee at any time. Members of the Advisory Committee may participate in a

¹² To be aligned with the PPM.

meeting of the Advisory Committee by means of conference telephone or similar communications equipment by means of which all members participating in the meeting can hear each other.

Details and the manner of functioning of the Advisory Committee will be set out in the Fund Documents and/or in the internal policies and processes of the Investment Manager.

Prior to the constitution of the Advisory Committee, any matter requiring the approval or consent of the Advisory Committee may be resolved with approval or consent of Super-Majority of Contributors.

The members of the Advisory Committee and their appointing Contributors shall not have any fiduciary obligations (including any duty to act in best interests of the Fund or other Contributors) to the Fund or the Contributors, provided that no Advisory Committee member shall have any obligation to disclose any conflict of interest with respect to any decision to be undertaken by the Advisory Committee, unless such decision involves a company in which such Contributor or an Affiliate thereof holds a direct interest (excluding investments through funds managed by third parties) and such member has actual knowledge of such conflict of interest.

Notwithstanding the immediately preceding paragraph, the Sponsor

2.15. Co-investment Opportunities

2.15.1. If the Investment Manager determines in good faith and in accordance with **Clause 17.1** that the Fund will not fully subscribe for any acquisition opportunity offered to it, the Investment Manager may subscribe to the remainder of such opportunity itself or offer the remainder of the opportunity to other investors, including the Sponsor/s and other Contributor/s in the Fund, or their Affiliates or any other client advised by the Investment Manager, subject to and in compliance with Applicable Laws (including applying for any additional license/s as may be required under Applicable Laws). The terms on which any Insider participates in investments alongside the Fund may be the same as the terms on which the Fund participates or on different terms but shall not be on more favourable terms than the terms on which the Fund invests, provided that (regardless of the terms on which such co-investment is made) any investment by an Insider alongside the Fund shall be deemed a “Conflicted Transaction” and the provisions of **Clause 18** shall be complied with. It is hereby agreed that the prior approval of the Advisory Committee will be required for an investment by a Successor Fund alongside the Fund (including in respect of any Follow-On Investment made by the Fund).

If the Investment Manager is negotiating co-investment terms on behalf of, or managing a co-investment on behalf of, any person co-investing with the Fund, then the terms on which such person invests shall be no more favorable to such co-investor than terms on which the Fund invests.

2.15.2. Provided that the amount of such fees is disclosed to the Contributors on an annual basis, the Investment Manager and its Affiliates may receive fees or other compensation from co-investors in relation to their co-investments alongside the Fund, and shall not be obliged to remit these amounts to the Fund. Such co-investments may be in the nature of equity, debt or such other form as deemed appropriate by the Investment Manager and compliant with Applicable Laws.

2.15.3. The Fund and the co-investors contemplated above, shall act independently and will make their own decisions on acquisition and disposition, use their own funds and bear their own expenses individually as well as be entitled to the profits and losses arising from their respective acquisition / disposition of securities / partnership interest, of such Portfolio Entities. The Investment Manager shall ensure that the expenses and liabilities attributable to any investment in which the Fund and any co-investor co-invests pursuant to this **Clause 2.15** shall be allocated pro rata among the Fund and each such co-investor participating in such investment based on the amount of their respective investments, provided that if any co-investor has entered into any agreement to co-invest with the Fund, the Investment Manager shall ensure that such agreement requires such co-investor to bear its pro rata share of any broken deal expenses based on the amount proposed to be invested by such co-investor in the relevant Investment. The Fund and the co-investors are not expected to act jointly or make any joint decisions and do not intend to form any joint venture or partnership or association for the purpose of making such acquisition / disposition of securities / partnership interest, of Portfolio Entities.

2.16. Distributions to Contributor and Contributor Giveback

2.16.1. The Contributor shall be entitled to distributions:

- (a) as per **Clause 10**, and
- (b) upon dissolution / termination of the Fund as per **Clause 12**.

2.16.2. Subject to **Clause 17.5**, the Trustee, Investment Manager, and their directors, partners and employees shall not have any personal liability to the Contributor for the return of its Capital Contribution.

2.16.3. *Contributor Giveback*: The Trustee/Investment Manager may require each Contributor to return the Distribution Proceeds, net of any tax withheld/ paid by such Contributor thereon, made to such Contributor in order to satisfy such Contributor's pro-rata share of the liabilities of the Fund incurred in respect of (i) any non-tax obligations of the Fund including crystalized indemnification obligations arising from a sale of an investment in a Portfolio Entity and/or (ii) pursuant to a tax liability/ claim on the Fund. The Investment Manager shall require the Contributors to return distributions pursuant to this **Clause 2.16.3** pro rata based on the relative amount of Distribution Proceeds (excluding Additional Return) distributed to such Contributor from such Portfolio Investment pursuant to **Clause 10** (if the liability pertains to a Portfolio Investment) or pro rata based on their relative Capital Commitments (if the liability does not pertain to a particular Portfolio Investment). The obligation to return the Distribution Proceeds shall not continue beyond:

- (a) the second anniversary of the dissolution of the Fund in relation to a liability described in sub-clause (i) above, or
- (b) the seventh anniversary of the date of the dissolution of the Fund in relation to a liability described in sub-clause (ii) above;

provided, that if on or before the abovementioned dates, there are any proceedings then in progress and pending that may require the return of distributions pursuant to this **Clause 2.16.3** (a "**Giveback Proceeding**"), then the Investment Manager shall notify Contributors in writing of such Giveback Proceeding and the obligation to return such distribution will continue until the conclusion of such Giveback Proceeding.

No Contributor shall be required to return an aggregate amount pursuant to this **Clause 2.16.3** in excess of the lower of (i) 25% of such Contributor's Capital Commitment and (ii) 25% of the Distribution Proceeds (net of any taxes withheld/paid by such Contributor thereon) distributed to such Contributor; provided that the limits described in (i) and (ii) above shall not apply to the obligation of the Additional Return Recipients to return any portion of the Additional Return pursuant to the next paragraph (provided that, for the avoidance of doubt, once an Additional Return Recipient has returned the Additional Return required pursuant to the next paragraph with respect to each Contributor, it shall not be obligated to return any further Additional Return pursuant to this **Clause 2.16.3**).

When any return of the Distribution Proceeds is sought, the Investment Manager will require the Contributors to return Distribution Proceeds in the reverse order of priority set out in the Distribution Waterfall. For the avoidance of doubt, to the extent a Contributor is required to return distributions in accordance with this **Clause 2.16.3** after the calculation of the Clawback Obligations and such return of distributions would have given rise to an increased Clawback Obligation with respect to such Contributor, then, notwithstanding anything to the contrary, such Contributor's obligation pursuant to this **Clause 2.16.3** shall be decreased, and Class C Contributors' obligations pursuant to this **Clause 2.16.3** and **Clause 11** shall be increased, by such amount. It is clarified that the obligations of the Contributor under this **Clause 2.16.3** shall be subject to the limitations set out in **Clause 15** insofar as the return of distributions is required in respect of the indemnity set out therein (including where any liability is incurred by the Fund by reason of Malfeasance of a Covered Person).

2.17. Persons admitted as Contributors

The Trustee and the Investment Manager shall deal only with Persons named or admitted as Contributors to the Fund in accordance with the Contribution Agreements. Any distribution by the Investment Manager to a Person shown on the register of Contributors or to such Person's legal representative, transferee, or lawful assignee, having the right to receive Fund distributions as provided therein, shall, subject to **Clause 17.5**, absolve the Investment Manager and/or Trustee of all liability to any other person who may be interested in such distribution by reason of any other assignment by the Contributor or by reason of its incapacity or for any other reasons.

2.18. Payment of Stamp Duty

The Investment Manager shall bear and pay stamp duty and other charges and expenses payable in connection with execution, registration or notarization of these presents or any Unit Certificate in relation to the Contributor.

2.19. Limitation of liability of the Contributors

2.19.1. Except for its obligations to make Capital Contributions to the Fund as set out in its Agreement, and except as specifically set forth in **Clause 2.16.3** hereof, no Contributor shall have any personal liability whatsoever in its capacity as Contributor whether to the Fund or to any of the other Contributors or to the creditors of the Fund, for the debts, liabilities, contracts or any other obligations of the Fund or for any losses of the Fund. However, the foregoing sentence is not

intended to, and will not limit, the application of **Clause 9** to a Defaulting Contributor.

2.19.2. Notwithstanding anything contained herein, total liability of the Contributor under the Fund Documents, including **Clauses 2.16.3, Clause 9** and **Clause 15** of this Agreement, shall not exceed the higher of:

- (a) the Contributor's Capital Commitment to the Fund and after the Contributor's Capital Commitment shall have been paid in full, the Contributor shall not be required to make any further Capital Contribution to the Fund or to repay to the Fund, or to pay to any Contributor or any creditor of the Fund out of any distribution received or receivable by the Contributor from the Fund; and
- (b) the amount the Contributor is required to return to the Fund pursuant to **Clause 2.16.3**.

2.20. Redemption of Units

The Investment Manager will take steps for the redemption of Units on or before the expiry of the Term of the Fund in accordance with the terms of the Indenture and this Agreement. The Investment Manager will use all reasonable efforts to exit/liquidate all the Fund's investments for cash before the expiry of its Term, and the liquidation proceeds along with other distributable income or assets (in case of any permitted *in specie* distributions) of the Fund will be distributed as detailed in **Clause 10** below.

The Investment Manager may redeem such part of the Units as required (i) to make distributions pursuant to **Clause 10**, (ii) to return Capital Contributions pursuant to **Clauses 2.6** or **3.1**, (iii) pursuant to **Clause 2.21** or (iv) pursuant to **Clause 9**. The redemption price for any Units redeemed pursuant to sub-clause (i) above shall be determined by the Investment Manager as necessary to effect distributions in accordance with **Clause 10**. The redemption price for any Units redeemed pursuant to sub-clause (ii) above shall be the amount paid by the relevant Contributor for such Units. The redemption price for any Units redeemed pursuant to sub-clause (iii) above shall be determined in accordance with **Clause 2.21**. The redemption price for any Units redeemed pursuant to sub-clause (iv) above shall be determined in accordance with **Clause 9**. Upon the redemption of a Unit, the Contributor shall cease to be entitled to any rights in respect thereof (excepting always the right to receive a dividend which has been declared thereof prior to such redemption being effected) and accordingly its name shall be removed from the register of Contributors with respect to such redeemed Units. The Investment Manager shall cause the Units not redeemed by the Fund during the Term to be

redeemed as soon as practicable after the Term comes to the end. Subject to **Clause 10** of this Agreement, the redemption of units shall be effected at the prevailing valuation or at such other redemption price as the Investment Manager may deem appropriate.

2.21. Compulsory Redemption

The Investment Manager reserves the right to compel the redemption of any Units with not less than 30 (thirty) calendar days' prior written notice for any of the following reasons:

2.21.1. The Units are held by or for the benefit (directly or indirectly) of any Person who is not an Eligible Investor; or

2.21.2. Any of the warranties, representations or statements given by such Contributor in its Agreement are not true or accurate or have ceased to be true or accurate.

The redemption price of any Units redeemed pursuant to this **Clause 2.21** shall be the lower of: (i) the net asset value of those Units (based on valuation as determined in accordance with **Clause 2.24**) as on the date of redemption; and (ii) the net asset value of those Units (based on valuation as determined in accordance with **Clause 2.24**) as on the date of any full or partial payment against such redemption. The Fund shall not be required to sell any investment in order to make any payment to a Contributor whose Units are being redeemed in advance of the time at which the Fund, as determined by the Investment Manager in accordance with this Agreement, would otherwise cause such investments to be sold, and in such event the payment of the redemption price or portion thereof shall be deferred until such sale takes place. No Contributor shall be required to make any Capital Contribution in order to pay any amount owed to a Contributor whose Units are compulsorily redeemed pursuant to this **Clause 2.21**. The withdrawing Contributor's Investment Proportion in each Investment shall be allocated to the other Contributors pro rata based on their Investment Proportions in such Investment.

2.22. Reporting

The Investment Manager on behalf of the Fund shall communicate with the Contributor on a periodic basis and send updated reports to the Contributor as under:

2.22.1. Periodic updates including Statement of Account, providing details of investments made and other information required to be disclosed under the AIF Regulations.

- 2.22.2. Within 45 days of the end of each fiscal quarter, a report including (i) a Statement of Account, (ii) details of any Investments made during such quarter, and (iii) unaudited financial statements of the Fund.
- 2.22.3. A detailed annual report comprising (i) audited financial statements of the Fund, and (ii) extract of the annual valuation status report, financial information of the Portfolio Entities, material risks and how are they managed and other material information on the Fund that is deemed to be relevant by the Investment Manager. This information shall be sent to the Contributors (in unaudited form) within 90 (ninety) days from the close of the financial year, provided that the Investment Manager may make adjustments to such reports as necessary and shall provide such updated reports within 120 days after the end of the financial year, including a description of how such final report differs from the previously-provided report.
- 2.22.4. Information with respect to any fees charged by the Investment Manager or Sponsors or any fees charged to the Trust/Portfolio Entity by an associate of the Investment Manager or Sponsors.
- 2.22.5. Information with respect to any breach of a provision of the Memorandum, Contribution Agreement/s or any other Fund Documents.
- 2.22.6. Information in relation to any change to the Memorandum (including details of the changes made), any change/s in the disciplinary history and such other information as required to be reported/disclosed to the Contributors in terms of the AIF Regulations, from time to time.
- 2.22.7. The Investment Manager will furnish to the Contributor annually, within 180 (one hundred eighty) days after the end of each financial year of the Fund, subject to applicable law and if requested, tax information reasonably necessary for the completion of the Contributor's tax returns and such other information as the Contributor may reasonably request for purposes of applying for refunds of taxes, as reasonably available with the Investment Manager.
- 2.22.8. The Fund shall provide to the Contributor information / disclosures about all Portfolio Companies including Startups and their financial performance and other economic data related to them. Such details / information would include particulars of promoters, employment generated with statistics on women, under-privileged section like scheduled castes / scheduled tribes / other backward classes / minorities, etc. and location of the venture whether backward or not or any other information sought by the Government from time to time.

2.22.9. The Fund will also provide on a quarterly basis, the unaudited NAV report and on a semi-annual/ annual basis, the audited NAV report in respect of the Fund and a summary of Portfolio Entity investments and divestments in the previous period.

2.22.10. Upon reasonable request for information in relation to the Fund from the Contributor, subject to compliance with Applicable Law, and confidentiality undertakings that the Fund parties or their respective Affiliates may be subject to, the Investment Manager shall provide such information to the Contributor provided that such information is in the Investment Manager's possession or reasonably available to the Investment Manager.

The reports/information shall be sent electronically by e-mail to the Contributor or any other forms of communication as may be determined by the Investment Manager unless otherwise specified by the Contributor.

2.23. Allocation of Deal Flow

Except as otherwise approved by the Advisory Committee, during the Commitment Period (and, with respect to any potential Follow-On Investments, after the Commitment Period) the Investment Manager shall cause 100% of each investment opportunity that is presented to the Key Persons or the Investment Manager or the Sponsor or any Affiliates of any of the foregoing, and that are consistent with the Fund's investment objectives and investment strategy, to be offered first to the Fund before being offered to any other Person.

2.24. Valuation of Fund

The Investment Manager shall determine the value of the Fund's assets and Units in accordance with the International Private Equity and Venture Capital Valuation Guidelines or any other valuation method proposed by the Investment Manager and approved by the Advisory Committee. The Investment Manager shall provide a copy of each such valuation to the Advisory Committee. The Advisory Committee may object to any valuation determined by the Investment Manager, and if the Investment Manager and the Advisory Committee are unable to agree upon a mutually acceptable valuation within thirty (30) days after such objection is made, the Investment Manager shall cause the Independent Valuer to determine the value of the Fund's assets, and such Independent Valuer's determination shall be binding on all parties.

The Investment Manager, on behalf of the Fund, shall appoint the Auditors (or another independent valuer or an independent valuer selected by the Investment Manager from a panel of independent valuers, in either case approved by the Advisory Committee) ("**Independent Valuer**") to conduct a valuation of the Fund's assets every six months subject to the terms contained

in the AIF Regulations and the Fund Documents. The aforesaid period can be enhanced to one year with the approval of Super-Majority of the Contributors.

2.25. Compliance with Applicable Laws

2.25.1. Contributors will be required to comply with the request of the Fund to furnish such information/documentation/declarations as and when deemed necessary by the Investment Manager in accordance with the Applicable Laws including any compliances under the Income Tax (11th Amendment) Rules, 2015 notified by the Central Board of Direct Taxes ("**FATCA Implementation Rules**").

2.25.2. If the Fund and/or the Investment Manager is required by Applicable Laws, including the FATCA Implementation Rules, to provide information regarding the Fund and/or the Contributors to any regulatory authority and/or the Portfolio Investments and/or income therefrom, and the Fund and/or the Investment Manager complies with such request in good faith, whether or not it was in fact enforceable, they shall not, subject to **Clause 17.5**, be liable to the Contributors or to any other party as a result of such compliance or in connection with such compliance.

2.26. Payment of Taxes

2.26.1. With respect to the income/ gains arising out of the Portfolio Investments, the Investment Manager shall cause the Fund to: (i) withhold Taxes and/or pay Taxes that are required to be withheld or paid by the Fund in respect of a Contributor as per Applicable Laws; and (ii) pay all other Taxes not covered in sub-clause (i) (as an Operating Expense) chargeable to the Fund as required by Applicable Law. For the avoidance of doubt, the Taxes contemplated under sub-clause (i) in the foregoing sentence shall not be classified as Operating Expenses. In respect of **Clause 2.26.1(i)**, the Trustee and/or Investment Manager shall, before distribution of income/ gains arising out of the Portfolio Investments to a Contributor, withhold and / or discharge appropriate Taxes applicable specifically to such Contributor, if required as per Applicable Laws. However, the Trustee and/or Investment Manager shall discharge the obligation specified in **Clause 2.26.1(i)**, without giving effect to any specific benefits or claims (except as permissible under the Applicable Laws) including but not limited to provisions relating to differing income tax slab rates applicable to the Contributors or Minimum Alternate Tax as defined under Income Tax Act, 1961 or setoff of brought forward losses or specific exemptions (specific to the Contributor) under the provisions of the Applicable Laws, that the Contributors may be governed by or entitled to claim under the provisions of the Applicable Laws. Further,

the Trustee in prior consultation with and the advice of the Investment Manager shall have the power to create Operating Reserves, including prior to distributing funds / monies to the Contributors, and including for the purposes of claims beyond the term of the Fund but arising out of the activities of the Fund during its subsistence.

2.26.2. Taxes discharged by Trustee as specified in **Clause 2.26.1(ii)** above shall be treated as Operating Expenses and Taxes discharged or withheld from a particular Contributor as per **Clause 2.26.1(i)** above shall be treated as if it were deemed to be a distribution to such Contributor while computing the distribution of capital including accretions thereto to the Contributor for the purposes of **Clause 10** of this Agreement.

2.26.3. In the event there is any shortfall in *inter alia* meeting a Tax claim/liability described in **Clause 2.26.1(i)**, the Trustee and/or the Investment Manager shall be entitled to recover such shortfall from such Contributor subject to **Clause 2.16.3**.

2.27. Opt outs:

2.27.1. In accordance with the provisions of this Agreement or the other Fund Documents, any Contributor may be excused from making all or part of its Capital Commitments in respect of a particular Portfolio Investment if such participation would, in the opinion of counsel satisfactory to the Investment Manager, as the result of a change in law or regulation, be illegal or otherwise prohibited by law or in certain other limited circumstances for such Contributor (each such excused Contributor, an "**Excused Contributor**").

2.27.2. The Investment Manager may exclude a Contributor from participating in all or any part of a Portfolio Investment if the Investment Manager determines, in good faith, and based on an opinion of counsel, that the participation of such Contributor in such Portfolio Investment is reasonably likely to violate any regulatory requirement or have financial, legal or other material adverse effects on the Fund, or any of its subsidiaries or any Contributor.

2.27.3. An Excused Contributor shall not be entitled to receive any distribution of proceeds in respect of such Portfolio Investment (or the relevant portion of the Portfolio Investment) from which such Contributor is excused.

2.27.4. If an Excused Contributor is excused with respect to any Portfolio Investment, the Investment Manager may require each other Contributor that is not opting out of the Portfolio Investment to make up the shortfall caused by the Excused Contributor by making an

additional Capital Contribution in the same proportion that such Contributor's original Capital Contribution for such Portfolio Investment bears to the total of all non-Excused Contributor Capital Contributions for such Portfolio Investment, provided that no Contributor shall be required to contribute an additional amount pursuant to this **Clause 2.27.4** greater than the lesser of (a) 20% of its original Capital Contribution for such Portfolio Investment and (b) its Unpaid Capital Commitment.

3 Induction of new Contributors and issue of Units

3.1. Induction of new Contributors or additional Capital Commitments by existing Contributors.

3.1.1. The Investment Manager may permit a prospective investor (who is an Eligible Person) to be admitted to the Fund, or an existing Investor to increase its Capital Commitment, at any time (each such Person, including an existing Contributor with respect to the increase in its Capital Commitment, a "**Subsequent Contributor**"), from time to time, after the First Closing, at 1 (one) or more additional closings (each a "**Subsequent Closing**") up to the Final Closing.

3.1.2. Unless otherwise provided, each Subsequent Contributor at a Subsequent Closing shall: (a) make a Capital Contribution to the Fund at such Subsequent Closing (or such other date specified in the relevant Drawdown Notice) of an amount equal to the aggregate Capital Contribution that would have been due from such Person if such Person had been admitted to the Fund at the First Closing ("**Catch-up Contribution**") plus (b) pay to the Fund an additional amount (a "**Compensatory Contribution**") calculated at the rate of [●] ([●] per cent) per annum on each portion of the Catch-up Contribution from the dates on which such portion would have been due if such Person had been admitted at the First Closing up to the date such Person is admitted to the Fund. Compensatory Contributions will not be treated as Capital Contributions and will not decrease unfunded Capital Commitments.

The Compensatory Contribution applicable to such Capital Contribution (i) will not be applied to the purchase of any Units; (ii) will not be treated as a Capital Contribution to the Fund; and (iii) will not reduce the new Contributor's Unpaid Capital Commitment. The Investment Manager shall however have the power to waive or increase/reduce, subject to the consent of the Advisory Committee, the Compensatory Contribution on Catch-up Contributions to be received and accepted at such Subsequent Closings.

The Investment Manager shall promptly distribute Catch-up Contributions amongst the Contributors who were admitted prior to such Subsequent Closing pro rata in proportion to their respective Capital Contributions and such amounts distributed to the Contributors shall be added back to their Unpaid Capital Commitments, subject to recall by the Fund; provided that the Investment Manager may retain Catch-up Contributions within the Fund for a period of 45 days to be utilized towards any purposes for which Capital Contributions may be Drawdown and any such utilisation will proportionately reduce Unpaid Capital Commitments of the Contributors who were admitted prior to such Subsequent Closing pro rata in proportion to their respective Capital Contributions. For the avoidance of doubt, the Hurdle Rate of Return shall accrue on all Capital Contributions retained pursuant to this **Clause 3.1.2** during the time such amounts were held by the Fund.

The Compensatory Contribution collected in connection with a Subsequent or Final Closing shall be distributed amongst the Contributors of the Fund admitted prior to such Subsequent or Final Closing, which distribution may be effected by a pro-rata refund

3.2. Allocation of Fund Expenses among Contributors entering at the Subsequent Closing:

For the avoidance of doubt, all Fund Expenses shall be allocated among the Contributors in the manner in which Fund Expenses are drawn from the Contributors pursuant to **Clause 2.2**, regardless of whether a Contributor joined the Fund at the First Closing or a Subsequent Closing.

4 Term

The term of the Fund would be [●] years from the date of Final Closing ("**Term**"). The Term of the Fund may be extended up to 2 (two) additional terms of 1 (one) year each on the recommendation of the Investment Manager, subject to the prior consent of the Super-Majority of the Contributors, ("**Extended Term**", and unless specified otherwise a reference to the Term includes the Extended Term).

5 Representations and Warranties

5.1. Representations by the Trustee

Except to the extent otherwise disclosed in writing to the Contributors, the Trustee as on the date of signing of this Agreement, shall hereby be deemed to have represented, assured and confirmed for the purposes of the Fund and undertaken as follows:

- 5.1.1. It is duly incorporated under the laws of India and has the power to conduct its business as presently conducted and to enter into this Agreement;
- 5.1.2. It has full power, capacity and authority to execute, deliver and perform this Agreement and has taken all necessary sanctions and approvals (corporate, statutory, regulatory or otherwise) to authorise the execution, delivery and performance of this Agreement;
- 5.1.3. Nothing in this Agreement conflicts with the constitutional documents of the Trustee or any judgment, decree or order or any statute, rule or regulation applicable to it;
- 5.1.4. It is not currently engaged in or threatened by any litigation whose outcome might materially and adversely affect its financial condition or that of the Fund;
- 5.1.5. It has neither issued nor agreed to issue any options over any of the Units of the Fund;
- 5.1.6. It has no outstanding obligations or liabilities contingent or otherwise (including tax liabilities) which might materially and adversely affect its financial condition or of the Fund;
- 5.1.7. It has not incurred any indebtedness which is secured by any mortgage, pledge, charge or lien on the assets of the Fund or that is inconsistent with this Agreement or its duties, responsibilities and obligations towards the Fund or the Contributors thereof;
- 5.1.8. It has not guaranteed or entered into any arrangement for guaranteeing the debts of any other company such that it is inconsistent with its duties, responsibilities and obligations towards the Fund or the Contributors thereof;
- 5.1.9. All Government approvals and statutory permissions to the extent and as are necessary for the execution of this Agreement and the creation of the Trust and the Fund, and for receiving the Capital Contribution and issuance of Units, have been obtained and the investment by the Contributors in the Fund will be valid, legal and binding under the Applicable Laws;
- 5.1.10. The proceeds of the Capital Contributions will be used for the purposes described in the Fund Documents including the Indenture and this Agreement and, to the extent not inconsistent therewith, the Memorandum.

5.2. Representations by the Contributor

The Contributor hereby makes representations, warranties and covenants to the Trustee and the Investment Manager as set forth in **Schedule II**.

5.3. The Investment Manager hereby represents, assures and confirms as follows:

5.3.1 It is duly incorporated under Indian law and has the power to conduct its activities as presently conducted, and the Trust has been duly constituted under Applicable Laws and has been registered with SEBI as a [Category II AIF] under the AIF Regulations and the Fund is the [first] scheme of the Trust.

5.3.2 It has the power/capacity to enter into this Agreement.

5.3.3 It has the full power, capacity and authority to execute, deliver and perform this Agreement and has taken all necessary sanctions and approvals (statutory or otherwise) to authorize the execution, delivery and performance of this Agreement and this Agreement constitutes a legal, valid and binding obligation of the Investment Manager, enforceable against the Investment Manager in accordance with its terms.

5.3.4 None of the following have occurred and is subsisting and no notice in connection therewith has been served in relation to the Investment Manager:

5.3.4.1 An application to a court for an order, or the making of any order, that it be wound up, that a liquidator, receiver or custodian be appointed of the Investment Manager or any of its assets or that it be placed in bankruptcy;

5.3.4.2 A resolution for winding up;

5.3.4.3 The convening of a meeting or passing of a resolution to appoint a liquidator;

5.3.4.4 A scheme of compromise or arrangement, reconstruction;

5.3.4.5 The taking of any action to seize, attach, take possession of or appoint a receiver, liquidator or manager in respect of the Investment Manager or any of its property/assets.

5.3.5 It has no outstanding obligations or liabilities contingent or otherwise (including Tax liabilities) which might materially and adversely affect its financial condition or of the Fund;

- 5.3.6 It is not currently engaged in or threatened by any litigation whose outcome might materially and adversely affect its financial condition or that of the Fund;
- 5.3.7 It has neither issued nor agreed to issue any options over any of the Units of the Fund;
- 5.3.8 It has not incurred any indebtedness which is secured by any mortgage, pledge, charge or lien on the assets of the Fund (unless done in accordance with the Applicable Laws and this Agreement) or that is inconsistent with its duties, responsibilities and obligations towards the Fund or the Contributors thereof;
- 5.3.9 It has not guaranteed or entered into any arrangement for guaranteeing the debts of any other company such that it is inconsistent with its duties, responsibilities and obligations towards the Fund or the Contributors thereof;
- 5.3.10 All Government approvals and statutory permissions to the extent and as are necessary for the execution of this Agreement and the creation of the Trust and the Fund, and for receiving the Drawdown and issuance of Units, have been obtained and the investment by the Contributors in the Fund will be valid, legal and binding under the Applicable Laws;
- 5.3.11 The proceeds of the Capital Contributions will be used for the purposes described in the Fund Documents including the Indenture and this Agreement and, to the extent not inconsistent therewith, the Memorandum; and
- 5.3.12 To the best of the knowledge of the Investment Manager, it has complied with the applicable AIF Regulations.

5.4. Acknowledgment

Each Party acknowledges that it has made representations hereinabove in this **Clause 5** on the faith and strength whereof the Parties have entered into this Agreement. Each Party warrants that each of its representations is true and correct and not misleading in any material aspect.

6 Conditions of Capital Contribution

6.1. Conditions

Unless otherwise agreed between the Parties hereto, the obligation of the Contributor to make Capital Contribution against its Capital Commitment is subject to the following conditions:

- (a) all governmental, corporate, shareholders', or other necessary approvals, licenses, certificates or consents as may be required having been obtained for:
- (b) issuance of Units represented by the Statement of Accounts or Unit Certificates to the Contributors against their Capital Contribution; and
- (c) the due execution and delivery of this Agreement and other relevant documents and agreements pursuant thereto.

6.2. The representations and warranties contained in **Clauses 5.1** and **5.3** are true and will continue to be true at the time of making Capital Contribution/s.

7 Conditions applicable during the currency of this Agreement

7.1. Utilization of the Capital Contribution

The Trustee and the Investment Manager shall ensure that the Capital Contributions are utilized solely and exclusively for meeting the purposes and objects as stated in this Agreement and the other Fund Documents.

7.2. General Covenants

The Investment Manager shall:

- a. maintain accounting records and books of accounts and other records adequate to reflect truly and fairly the financial position of the Fund.
- b. inform the Contributors if it has received any notice or application or any statutory notice or notice for winding up/dissolution.
- c. cause to be provided to the Contributors, such other information and documents as is required under the AIF Regulations or which the Contributors may reasonably require and request in writing, about the Fund.

8 Fund Expenses, Costs and Fee

8.1. The following expenses shall be borne by the Fund, whether incurred directly by the Fund, or by the Trustee or the Investment Manager for and on behalf of the Fund ("**Fund Expenses**"):

- (a) Operating Expenses;
- (b) Set-up Costs; and
- (c) Investment Management Fee.

8.2. *Operating Expenses.* The annual operational expenses of the Fund (“**Operating Expenses**”) will be borne by the Fund on actuals and shall not exceed [0.25% (zero point two five percent) per annum] of the aggregate Capital Commitments of the Fund (including any extraordinary and non-recurring expenses)., provided that the cap described above shall not apply to Operating Expenses that are (i) indemnification obligations; (ii) litigation expenses; or (iii) taxes

The Operating Expenses shall, *inter alia*, consist of the following, to the extent incurred in relation to the Fund:

- (a) Expenses incurred in the operation of the Fund including any fees, costs, expenses and other liabilities relating to the review, acquisition, holding, monitoring, restructuring or disposition of Investments (including brokerage commissions, interest expense, consultant expenses and expenses in connection with proposed transactions, including transactions that fail to close), investment-related travel expenses, legal expenses;
- (b) Statutory, legal, accounting, audit, custodial, consulting, merchant banking, any other third-party fees and operating expenses related to the Fund and other professional fees;
- (c) Expense incurred by the Fund for collection of Capital Commitments;
- (d) Third party expenses including due diligence expenses that are attributable to consummated transactions that are not borne by the Portfolio Entity or attributable to transactions not consummated;
- (e) Banking, registration, qualification, finders, depository and similar fees or commissions;
- (f) Transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of the Fund’s assets and other statutory expenses;
- (g) Trusteeship Fees;
- (h) Interest on borrowings expressly permitted under the Fund Documents;
- (i) Valuation costs (if any);
- (j) Costs of financial statements and other reports (including reports to Contributors);
- (k) Expenses in connection with meetings of the Contributors (travel, accommodation and out-of-pocket expenses of Contributors will be

borne by themselves) or expenses in connection with communication with Contributors;

- (l) Reasonable premiums for insurance for protecting the members of the Advisory Committee, directors, partners, officers, shareholders, employees and agents of the Trustee and Investment Manager of the Fund; and
- (m) Proportionate liquidation expenses of the Trust and the Fund;
- (n) All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above arising out of or in the course of managing or operating the Fund, other than Manager Own Expenses, providing such expenses are reasonable.

All such Operating Expenses incurred by the Investment Manager shall be reimbursable by the Fund to the Investment Manager. No one-time Operating Expenses shall be borne by the Fund.

- 8.3. *Investment Management Fee*¹³. As a consideration for the services to be rendered by the Investment Manager, the Fund shall pay management fee to the Investment Manager as set out below (“**Investment Management Fee**”).

The payment of the Investment Management Fee with respect to the holders of Class A Units, to the Investment Manager in connection with the Fund will accrue and commence from the date of the First Closing and shall be paid quarterly in advance.

The Investment Management Fee on Class A Units shall accrue in arrears, on a semi-annual basis, to the Investment Manager with respect to each Class A Unitholder as follows:

- (a) during the Commitment Period, [●]% ([●] percent) (inclusive of applicable taxes) per annum of such Contributor’s aggregate Capital Contribution (excluding any amount repaid to the Contributor or any Portfolio Investment (with respect to its Class A Units); and
- (b) thereafter, until the end of the Term (including for the avoidance of doubt, pursuant to **Clause 12.2**) but excluding the Extended Term and the Liquidation Period (subject to the last paragraph of this **Clause 8.3**), [●]% ([●] percent) per annum of such Contributor’s Capital Commitment (with respect to its Class A Units) as reduced by an amount equal to, in respect of any Portfolio Investment that has been fully or partially realised, transferred or completely written off, the portion of such Contributor’s Capital Commitment corresponding to the capital that had been invested in such Portfolio

¹³ To be updated basis commercials of the fund, and the unit structure.

Investment (to the proportionate extent of such realisation, transfer or write off in case of partial realisations, transfers or write offs).

- (c) Investment Management Fee payable to the Manager in the period where the Commitment Period has been extended in accordance with Clause 2.8.1 shall be calculated and payable in accordance with Clause 8.3(b) above.
- (d) The Investment Manager shall not be eligible to receive any Investment Management Fee beyond the Term of the Fund (including the extended life of the Fund).

Investment Management Fee so charged in the manner above shall be reduced (pro rata among the Class A Contributors based on the amount of Investment Management Fee payable by each) by 100% of the amount received by any Insider from any Portfolio Company or prospective Portfolio Company as Fees Subject to Offset. The Investment Manager shall cause any Fees Subject to Offset that are not 100% offset against the Investment Management Fee payable in any quarter because such offset would have caused the Investment Management Fee to be reduced below zero to be offset against the subsequent quarter's Investment Management Fee payment. If, after the end of the Term, any Fees Subject to Offset have not been 100% offset against the Investment Management Fee, then the Investment Manager shall pay such excess amount to the Fund and the Fund shall distribute such amount to the Class A Unitholders pro rata based on the aggregate Capital Contributions made by each such Contributor for Investment Management Fee.

The Investment Management Fee payable to the Investment Manager shall be exclusive of all applicable taxes (including goods and services tax) and levies, if any (together with surcharge and additional surcharge, as may be applicable) leviable on such Investment Management Fee, the same to be borne by the Fund and allocated solely to the holders of Class A Units. It is clarified that the Investment Manager shall be responsible and liable to pay the goods and services tax, if applicable.

If the Fund's income, dividends and/or proceeds of investments available are insufficient, Unpaid Capital Commitments may be drawn down to fund the Investment Management Fee.

For the avoidance of doubt, no Investment Management Fee shall be payable with respect to the holders of Class B Units and Class C Units.

- 8.4. *Set-up Costs.* The Investment Manager will charge one-time Set-up Costs to the Fund, which shall be allocated to the Contributors in accordance with **Clause 2.2** on actuals and shall not exceed [0.5%] (zero point five percent) of the aggregate Capital Commitment, being attributable to the Fund's set-up, including but not limited to the costs incurred towards the incorporation,

structuring and organization of the Fund, including the setting up and offering costs, legal fees and professional expenses incurred in relation to the preparation and negotiation of the Fund Documents or any other documents applicable to the Fund in relation to the offering of Units pursuant to the Memorandum (excluding any fees or commissions to intermediaries/placement agents who are Insiders), such other costs attributable to the establishment of the Fund and obtaining various licenses, approvals and registrations, trust acceptance fees, portal development charges, consultancy expenses, counsel fees, fees of tax advisors or auditors, travel expenses, and any other miscellaneous costs that the Fund and/or the Investment Manager may incur before the investment operations of the Fund commence (the “**Set-up Costs**”).

The 0.5% cap on Set-up Costs shall be inclusive of any applicable service tax and other statutory charges payable thereon.

No Set-up Costs shall be payable by the holders of Class B Units and Class C Units.

- 8.5. *Trusteeship Fees.* For acting as the trustee and discharging its functions and responsibilities as the trustee, the Trustee will be entitled to receive from the Fund INR [●] (“**Trusteeship Fees**”). In addition, the Trustee shall be entitled to recover from the Fund any tax or duty (other than income tax) which is, or may become, leviable under the Applicable Law on the Trusteeship Fee payable to the Trustee by the Fund.
- 8.6. *Manager Own Expenses.* The Investment Manager shall bear all its operational and administrative expenses (“**Manager Own Expenses**”) and make its own provision for the following:
- (a) Office space, salary and personnel cost;
 - (b) Office equipment;
 - (c) Regulatory compliance and reporting services;
 - (d) Preparation of tax returns of the Investment Manager;
 - (e) Expenses of sourcing potential investments of the Fund (whether or not consummated) prior to the date on which such investments receive preliminary approval of the Investment Committee; and
 - (f) Engaging the services of arrangers, distributors or placement agents, as may be necessary from time to time.

9 Default

- 9.1. Notwithstanding anything to the contrary contained herein, if any Contributor fails to contribute any Capital Contribution pursuant to a Drawdown Notice

issued by the Fund within the due date as per the date mentioned in the Drawdown Notice, then the Investment Manager shall provide such Contributor with prompt written notice of such failure. If such Contributor does not pay its Capital Contribution within 21 (twenty one) days of receiving such notice of failure, then such Contributor may be declared as a “**Defaulting Contributor**” and subjected to *inter alia* one or more action/s stated below to be taken by the Investment Manager in its discretion:

- i. enforce the Defaulting Contributor’s obligations through pursuing any rights and remedies the Fund may have against the Defaulting Contributor, including by taking legal or other action against the Defaulting Contributor as more fully set out in this Agreement and the Indenture;
- ii. suspend or terminate the Defaulting Contributor’s right to receive any Distribution Proceeds. However, the Defaulting Contributor shall remain fully liable to the creditors of the Fund, to the extent permitted by law, for the amount payable by the Contributor as if such default had not occurred;
- iii. following the date of default, not allocate any items of income, gains or proceeds to the Defaulting Contributor;
- iv. require additional contribution (over and above the Capital Commitment) calculated by applying a rate not exceeding [●] per annum, on the Capital Contribution mentioned in the Drawdown Notice (or other lesser rate), from the date of the Drawdown Notice to the date of actual remittance of the amount (such defaulted Capital Contribution plus additional contribution in accordance with this clause being the “**Default Amount**”);
- v. forfeit, without compensation, all or some of the Units subscribed by the Defaulting Contributor. Upon such forfeiture being effected, the Defaulting Contributor shall cease to be entitled to any rights including the right to demand refund of its forfeited portion of the Capital Contribution to the Fund;
- vi. offset amounts otherwise distributable to such Defaulting Contributor against the Default Amount;
- vii. prohibit the Defaulting Contributor from participating in any subsequent Contributor vote, meeting, consent or decision to be made by the Fund or Advisory Committee (as applicable);
- viii. sell the Defaulting Contributor’s allocated but unfunded Units along with its Unpaid Capital Commitment to other non-defaulting Contributors and / or to third parties, at such price as may be determined by the Investment Manager, and any proceeds to be remitted to the Defaulting Contributor from such sale shall be calculated after taking into account any expenses

(including Investment Management Fees that may accrue), deductions and losses allocated to such Defaulting Contributor;

- ix. recover or set off against any amounts owed to the Defaulting Contributor any cost incurred by the Fund as a result of taking any of the actions set out above.
- 9.2. Any or all of the actions as specified in **Clause 9.1** above, subject to the Applicable Laws, may be waived by the Investment Manager, acting in the best interests of the Fund and the non-defaulting Contributors. In the event the Units of a Defaulting Contributor are forfeited, such forfeiture shall include all dividends, interest, gains and distributions declared but unpaid and all payments made by the Contributor in respect of such Units. Upon such forfeiture being effected, the Defaulting Contributor shall cease to be entitled to any rights (including the right to demand refund) in respect of its contribution to the Fund with respect to the Units so forfeited.
 - 9.3. In the event of any forfeiture of Units of a Defaulting Contributor, the Defaulting Contributor's Investment Proportion in each Investment attributable to such Units shall be re-allocated among the non-Defaulting Contributors pro rata based on their respective Investment Proportion in such Investments.
 - 9.4. In respect of investor defaults in, and therefore by, a Feeder Fund, default provisions under the Contribution Agreement will be adjusted to apply only to the relevant part of its interest in the Fund.
 - 9.5. Any amounts collected from the Defaulting Contributor in addition to its defaulted amount or from a forfeiture may be retained by the Trustee within the Fund to be utilized towards satisfaction of Fund Expenses in respect of which such Defaulting Contributor defaulted and the balance, if any, shall, be distributed to the non-Defaulting Contributors pro rata based on their Capital Contributions (and, for the avoidance of doubt, shall not be added to their Unpaid Capital Commitments). Any amounts withheld from distributions to the Defaulting Contributor or not covered in the preceding sentence and held within the Fund may be used by the Trustee to satisfy Fund Expenses in respect of which such Defaulting Contributor defaulted and the balance, if any, shall be distributed to the non-Defaulting Contributors pursuant to **Clause 10** below pro rata based on their respective Investment Proportions.
 - 9.6. The Contributor hereby consents to the application of the default provisions provided in **Clause 9.1** to it in recognition of the risk and damage its default would cause to the other Contributors, and further agrees that the availability of such remedies shall not preclude any other remedies which may be available in law, in equity, by statute or otherwise.

9.7. Notwithstanding the above actions, the Defaulting Contributor will remain liable to pay to the Fund (as applicable):

- (i) the Default Amount;
- (ii) any other amounts for which it is liable to pay to the Fund under the Indenture and/or its Contribution Agreement.

10 Income and Distribution

10.

- 10.1. *Sources of income:* The Fund will receive proceeds primarily by way of cash dividends, interest or other forms of cash receivable as may be permitted by law from the Portfolio Investments, returns / yield on Portfolio Investments and cash proceeds realized from the disposition of the Fund's Investments and gains from the Portfolio Investments ("**Investment Proceeds**"). Amounts held by the Fund pending investment or distribution or as Operating Reserves shall be held in liquid mutual funds or bank deposits or other liquid assets of high quality such as Triparty Repo Dealing and Settlement, Commercial Papers, Certificates of Deposits, etc., to the extent permitted under the AIF Regulations ("**Temporary Investments**"). The Investment Manager shall cause the Fund to distribute proceeds attributable to any Temporary Investment to the Contributors pro rata based on their Investment Proportions. The income earned from Temporary Investments made, if any, for the period commencing from the date of receipt of monies for each Drawdown Notice (issued to the Contributor) and ending with the date of the Fund Investment, shall not form part of the Investment Proceeds and the same shall be distributed to the Contributor in proportion to its related Capital Contribution for the relevant Drawdown Notice.
- 10.2. The Investment Manager shall cause Distribution Proceeds to be distributed by the Fund to the Contributors as soon as practicable and in any event within [60 (Sixty) days] of the Fund receiving such Distribution Proceeds. The Investment Manager shall cause proceeds from Temporary Investments to be distributed within forty-five [(45) days of the end of each fiscal quarter]. The Fund shall be entitled to withhold from any Investment Proceeds Operating Reserves, taxes payable pursuant to **Clause 2.26.1** and Fund Expenses pursuant to **Clause 10.6**, and the remaining Investment Proceeds ("**Distribution Proceeds**") shall be available for distribution by the Trustee and/or the Investment Manager. The Distribution Proceeds shall be distributed by the Investment Manager in the manner provided below.
- 10.3. The Distribution Proceeds from any Portfolio Investment shall be apportioned to each Contributor pro rata based on its Investment Proportion with respect to such Portfolio Investment. The Distribution Proceeds so apportioned to each Class B Unitholder and Class C Unitholder shall be distributed to such Class B Unitholder or Class C Unitholder, as applicable.

10.4. The Distribution Proceeds so apportioned to each Class A Unitholder (“**Class A Distribution Proceeds**”), will be distributed as provided below:

Class A Distribution Waterfall¹⁴:

The Class A Distribution Proceeds shall be distributed as follows:

- (i) **Return of Capital**: 100% (one hundred percent) of the Class A Distribution Proceeds will be distributed to such Class A Unitholder until the cumulative distributions to such Class A Unitholder pursuant to this sub-clause (i) are equal to its aggregate Capital Contributions;
- (ii) **Hurdle Rate of Return**: Thereafter, 100% (one hundred percent) of the Class A Distribution Proceeds will be distributed to such Class A Unitholder until such Class A Unitholder has received the Hurdle Rate of Return on all of its Capital Contributions as of the date of such distribution (computed from the due dates specified in the applicable Drawdown Notices or the dates such Capital Contributions are made to the Fund, whichever is later, until the date such Capital Contribution is returned pursuant to sub-clause (i));
- (iii) **Catch-up**: Thereafter, 100% (one hundred percent) of the Class A Distribution Proceeds will be distributed to the Class C Unitholders, until the Class C¹⁵ Unitholders have received an aggregate amount equal to 20% (twenty percent) of the aggregate of the amounts distributed to the Class A Unitholder under clause (ii) above and the amounts distributed under this clause (iii);
- (iv) **Additional Return**: Thereafter, the Class A Distribution Proceeds shall be distributed to the Class A Unitholder, the Class C Unitholders in the following ratio:
 - (a) Class A Unitholder: 80% (eighty percent);
 - (b) Class C Unitholders: 20% (twenty percent).

The amounts distributed to Class C Contributors (the “**Additional Return Recipients**”) under paragraph (I)(iii), (I)(iv) shall be referred to as “**Additional Return**”.

10.5. The Investment Manager shall cause Distribution Proceeds and proceeds from Temporary Investments to be paid to the bank account of each Unit holder as indicated in the register of Unit holders.

¹⁴ Waterfall will have to be added for each sub-class of units, depending on the unit structure of the Fund.

¹⁵ This agreement is drafted on the assumption that the additional return will be stapled to Class C units (employee class). Reference to be appropriately changed basis commercials of the Fund.

- 10.6. If the Investment Manager uses any Investment Proceeds to pay Fund Expenses or create Operating Reserves, it shall (a) be permitted to utilize only Investment Proceeds that are distributable to a Contributor to pay a Fund Expense that such Contributor would otherwise be obligated to pay under the terms of this Agreement and (b) issue a notice similar in form and substance to a Drawdown Notice to each Contributor in respect of any amount used by the Fund to pay Fund Expenses or maintain Operating Reserves. The Investment Manager may not cause the Fund to invest any Investment Proceeds in Portfolio Investments.
- 10.7. The Investment Manager shall cause the Fund to make distributions in cash, provided that the Investment Manager may, subject to obtaining approval from Super-Majority of Contributors, make distributions *in specie* to the Contributors, if permitted by Applicable Law. Such *in specie* distributions of Portfolio Investments will be made in the same manner and priority as set out above for Distribution Proceeds and in an amount equivalent to the fair market value (which will be determined in good faith by the Investment Manager in accordance with this Agreement).
- 10.8. In the case of any distribution of cash or property received or owned by the Fund that is not described in this **Clause 10** or elsewhere in this Agreement, the Investment Manager shall distribute such amounts to the Contributors pro rata in accordance with their Capital Contributions.

11 Clawback Obligation

- 11.1. If, upon (a) the end of the Term, (b) the dissolution and winding up of the Fund, (c) the final distribution of all of the Fund's assets, (d) the date on which a Contributor is required to withdraw from the Fund pursuant to **Clause 2.21**, (e) any removal of the Trustee and/or the Investment Manager pursuant to **Clauses 12.4** and/or **12.5** and/or (f) any return of any amounts pursuant to **Clause 2.16.3** (the date of any such event being the "**Clawback Determination Date**"), distributions of Additional Return to the Additional Return Recipients have been made with respect to any Contributor and:
- (i) such Contributor has not received distributions equal to at least the amount of its Capital Contributions plus the Hurdle Rate of Return thereon (as set out in **Clause 10.4**); or,
 - (ii) the aggregate distributions of Additional Return to the Additional Return Recipients with respect to such Contributor exceed 20% (twenty percent) of the distributions to such Contributor pursuant to **Clauses 10.4 (I)(ii)** and **(I)(iv)**;

in each case after giving effect to all Capital Contributions and distributions pursuant to **Clause 10** through to the Clawback Determination Date, then the

Investment Manager shall ensure that each Additional Return Recipient and former Additional Return Recipient (if applicable) (each a "**Clawback Obligor**") shall immediately return to the Fund, and the Fund shall immediately distribute to such Contributor, an amount equal to the greater of the shortfall amount described in sub-clause (i) and the excess amount described in sub-clause (ii) of this **Clause 11.1** (such obligation of the Clawback Obligors and the Fund being the "**Clawback Obligation**").

- 11.2. In order to secure all or a portion of the Clawback Obligation, the Investment Manager shall cause the Fund to deposit a minimum of [20%] of each distribution of Additional Return into a cash deposit bank account ("**Escrow Account**"). The Fund shall not be required to maintain in the Escrow Account funds in excess of the potential maximum of the Clawback Obligation, as calculated and certified by the Auditors to the Advisory Committee based on the assumption that (a) all Unpaid Capital Commitments have been called, (b) all undisposed Portfolio Investments as at the relevant date of calculation have been written-off and (c) the maximum amount repayable pursuant to **Clause 2.16.3** shall be repaid.
- 11.3. The Fund, the Trustee and the Investment Manager shall procure that the Clawback Obligation shall be funded *pro rata* by each Clawback Obligor either from the Escrow Account or by a cash payment to the Fund to be distributed by the Fund to the relevant Contributor, provided that in no event shall the amount that each Clawback Obligor is required to return to the Fund for distribution to any Contributor exceed the aggregate distributions of Additional Return actually received by such Clawback Obligor with respect to such Contributor less any un-refundable taxes actually paid or payable by such Clawback Obligor (provided that such tax has not been paid or is payable as a direct or indirect result of a mistake or breach of this Agreement by the Fund, the Trustee, the Investment Manager and/or the Clawback Obligor) as disclosed and evidenced to the reasonable satisfaction of the Advisory Committee, provided that the Investment Manager shall procure that each Additional Return Recipient (and, if the Additional Return Recipient does not bear taxes, its beneficial owners) shall: (a) pursue with diligence any relevant tax refunds and/or tax reliefs referable to the taxes so paid to which it or they may be entitled and (b) pay an amount corresponding to such tax refunds and/or tax reliefs so obtained to the Fund (and the Fund shall distribute any such amounts to the Contributors pro rata based on the amount of the Clawback Obligation owed to each Contributor).
- 11.4. Permitted withdrawals out of the Escrow Account: All interest or other amounts earned by the funds deposited in the Escrow Account shall remain therein and may not be distributed to the Additional Return Recipients, provided that the Additional Return Recipients shall be entitled to withdraw any amounts from the Escrow Account that exceed their maximum potential Clawback Obligation determined pursuant to **Clause 11.1**.

- 11.5. For the purposes of calculating distributions, amounts distributed by the Fund and placed in the Escrow Account will be considered distributed to the Additional Return Recipients.
- 11.6. Each Clawback Obligor's, and the Fund's, obligations to make payments under **Clause 11.1** shall survive the termination of the Fund and/or termination of the Trustee's and/or the Investment Manager's engagement with the Fund.
- 11.7. The Fund shall have the right to set-off, as appropriate, and apply against the Additional Return Recipients' obligation to make such contribution, any amounts otherwise payable to the Additional Return Recipients or any other Affiliate thereof.

12 Termination

- 12.1. The Trust shall terminate in accordance with the terms of the Indenture. Without prejudice to the above, the Fund shall terminate on expiry of the Term of the Fund.
- 12.2. Without prejudice to the above, the Investment Manager in consultation with the Trustee, may at any time before the expiry of the Term of the Fund, terminate the Fund upon:
 - (a) If the Trustee, in consultation with and on the advice of the Investment Manager acting in a fiduciary capacity in good faith and in the interests of the Fund and in accordance with its standard of care as described in **Clause 17.1**, determines that the Fund should be wound up in the interest of the Contributors, subject to consent of Super-Majority of the Contributors; or
 - (b) If the Trust is wound up in accordance with the terms of the Indenture; or
 - (c) Super-Majority of the Contributors in the Fund pass a resolution that the Fund be wound up; or
 - (d) SEBI so directs in the interest of the Contributors.

Notwithstanding the above, the Trustee and the Investment Manager shall be obligated to terminate the Fund upon the occurrence of the event described in **Clause 12.2(d)**.

- 12.3. Procedure on termination of the Fund:

The Trustee shall intimate the Contributors of the circumstances leading to the winding up of the Fund. Notwithstanding the premature termination of the

Fund, the Fund will continue for such period of time as may be necessary to liquidate existing investments in an orderly manner (subject to a maximum period of one year from the aforesaid date of intimation to the Contributors (“**Liquidation Period**”)).

The Investment Manager shall act as the liquidator of the Fund, provided that a Majority of the Contributors may instead appoint a different liquidator to act as liquidator of the Fund, provided that the Investment Manager shall simultaneously be removed as the Investment Manager with a consent of a Majority of the Contributors and the terms of **Clause 12.5** shall apply, except that the removed Investment Manager shall not be entitled to any additional payment of Investment Management Fee pursuant to **Clause 12.5(a)** and there shall be no reduction in the Additional Return paid to the Class C Contributors pursuant to **Clause 12.5(b)** as a result of such removal. Once the Fund liquidates, the proceeds accruing to the Contributors shall be distributed to them after satisfying all liabilities of the Fund (including taxes, if any) in accordance with **Clause 10** of this Agreement, and thereafter, this Agreement will terminate.

- 12.4. *Removal of Trustee:* Subject to Applicable Laws, the Trustee may be removed (X) by a [Super-Majority of the Contributors] of the Fund, in consultation with the Investment Manager, and (Y) by a [Majority of the Contributors] of the Fund upon the Trustee’s gross negligence, willful misconduct, fraud, or material breach of this Agreement, any other Contribution Agreement, any other Fund Document or any Side Letter, provided that (A) the removal of the Trustee shall not be effective, unless a new trustee is appointed in its place by a Majority of the Contributors of the Fund and (B) no consultation with the Investment Manager shall be required if the Investment Manager is also being removed. In an event the Trustee discontinues being the trustee of the Trust in accordance with the provisions of the Indenture and a new trustee is appointed in accordance with the Indenture, then such new trustee shall assume the role of the Trustee under this Agreement and the requisite steps will be taken in this regard by the Investment Manager, Trustee and the incoming trustee. The outgoing Trustee shall no longer be entitled to receive any fees from the Fund after the date of its removal.

Without limiting the generality of the foregoing, the Trustee agrees that, if removed, it shall (i) forward all records, contact details, correspondence, physical and electronic files, and databases related to the Fund’s Investments and the administration of the Fund to the replacement trustee or such other persons identified by a [Majority of the Contributors]; (ii) transfer any assets of the Fund that are directly or indirectly held by or on behalf of the Trustee or its Affiliates or any member, partner, officer, director, shareholder or employee of any of the foregoing to such persons identified by a Majority of the Contributors and (iii) transfer all board seats at the Portfolio Company and/or intermediate vehicle level and any other rights granted by a Portfolio Company

and/or intermediate vehicle directly or indirectly to the Trustee or its Affiliates or any member, partner, officer, director, shareholder or employee of any of the foregoing in connection with the Fund's investment in such Portfolio Company and/or intermediate vehicle to such persons as identified by a Majority of the Contributors.

12.5. *Change of the Investment Manager*

The Investment Manager may be removed for Cause at any time upon the vote of a Majority of the Contributors. The Investment Manager shall notify the Contributors in writing immediately upon the occurrence of any Cause event.

"Cause" shall mean commission by the Investment Manager or Sponsor or Investment Committee or any of their officers, director or employees, or Key Persons of any of the following:

- (i) A material breach of the Investment Manager's obligations under this Agreement, any other Contribution Agreement, any other Fund Document or any Side Letter;
- (ii) With respect to the Investment Manager and/or Sponsor, any of: (a) the filing of corporate insolvency resolution process, (ii) the filing of voluntary liquidation under Section 59 of the Insolvency Code; and/or (iii) the admission of the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 filed by any Person;
- (iii) any action (or omission) constituting fraud, criminal misconduct, gross negligence, wilful misconduct, bad faith, or reckless disregard of duty, in each case as determined by the court of first instance or the arbitral tribunal, as applicable;
- (iv) the revocation of any applicable registration or license required for the Investment Manager to conduct the management of the Fund and the Investment Manager fails to reinstate such applicable registration or license within a period of 60 (sixty) days (or such lower time period as may be prescribed under Applicable Law) from the date of such revocation;
- (v) failure of any representations and warranties provided by the Investment Manager or the Trustee under this Agreement;
- (vi) failure of the Sponsor to make Capital Contributions to the Fund; and/or
- (vii) determination by any court of competent jurisdiction or arbitral tribunal, as applicable, relating to, or a settlement wherein such

person admits to any crime, corruption, material breach or material violation of any Applicable Law or other applicable law or regulation.

The Investment Manager may be removed without the requirement of Cause at any time upon the vote of a Super-Majority of the Contributors.

In the event of termination of the appointment of the Investment Manager in the manner as set out in this **Clause 12.5**:

- (a) the Investment Manager shall be entitled to the Investment Management Fee up till the date of such termination (and shall return to the Fund a pro rata portion of the Investment Management Fee paid in advance for the quarterly period during which removal occurred, based on the number of days in such quarterly period after the removal date), provided that the Investment Manager shall not be entitled to any additional payment of Investment Management Fee if the Investment Manager was removed for Cause and shall be entitled to Investment Management Fee for an additional period of 6 (six) months from the date of such termination if the Investment Manager was removed other than for Cause (which amount shall offset the amount that the Investment Manager would otherwise be required to return pursuant to this **Clause 12.5(a)**);
- (b) the Class C Contributors shall remain entitled to receive 75% of all distributions of the IM Additional Return at such times as such amounts would otherwise have been distributed to the Class C Contributors if the Investment Manager had not been removed, provided that if the Investment Manager was removed for Cause, the Class C Contributors shall not be entitled to any further distributions of IM Additional Return and all amounts in the Escrow Account shall be forfeited to the Fund either for distribution to the Contributors (pro rata based on their respective Capital Contributions) or to a replacement Investment Manager, as determined by a Majority of the Contributors.

For the purpose of this Clause “**IM Additional Return**” means all distributions of Additional Return, calculated on an aggregate basis, with respect to Portfolio Investments made before the date of removal of the Investment Manager, that the Class C Contributors would have been entitled to receive, at such times as such amounts would otherwise have been distributed, to the Class C Contributors if the Investment Manager had not been removed.

All amounts forfeited by the Class C Unitholders shall be either distributed among the Class A Unitholders pro rata based on their respective Capital Contributions or to such other person as a Majority of the Contributors may determine. The Investors may elect to continue the Fund and appoint a

replacement investment manager with the consent of (i) Majority of the Contributors in case the Manager was removed for Cause or (ii) Super Majority of the Contributors in case the Manager was removed for any reasons other than Cause .

The Investment Manager agrees that, if removed, it shall promptly (i) forward all records, contact details, correspondence, physical and electronic files, and databases related to Investments and the administration of the Fund to a person identified by a Majority of the Contributors; (ii) transfer any assets of the Fund that are directly or indirectly held by or on behalf of the Investment Manager or any of its Affiliates or any member, partner, officer, director, shareholder or employee of any of the foregoing to the Fund or such persons identified by a Majority of the Contributors and (iii) transfer all board seats at the Portfolio Company and/or intermediate vehicle level and any other rights granted by a Portfolio Company and/or intermediate vehicle directly or indirectly to the Investment Manager or its Affiliates or any member, partner, officer, director, shareholder or employee of any of the foregoing in connection with the Fund's investment in such Portfolio Company and/or intermediate vehicle to such persons as identified by a Majority of the Contributors, and amounts payable to the Investment Manager or any holder of Class C Units pursuant to this **Clause 12.5** shall be payable only after the transfers described in (i), (ii) and (iii) have occurred. The Investment Manager hereby appoints any replacement Investment Manager and/or Trustee and/or any such other person as may be identified by a Majority of the Contributors with full power of substitution as the true and lawful attorney and agent of the removed Investment Manager to execute, acknowledge, verify, swear to, deliver, record and file, in its or its assignee's name, place and stead, all instruments, documents, forms and certificates that may from time to time be required by the laws of any jurisdiction to give effect to the provisions of this **Clause 12.5**.

Upon a removal of the Investment Manager, the obligation of Additional Return Recipients pursuant to **Clause 11** shall be apportioned between the Additional Return Recipients pro rata based on the amount of Additional Return distributed (including amounts otherwise distributable to such persons that are placed in the Escrow Account as described in **Clause 11**) to each.

The Trustee shall take all steps as may be necessary to effect the removal of the Investment Manager pursuant to this **Clause 12.5**.

If the Investment Manager is removed as investment manager of the Fund, then Majority of the Contributors shall also have the right to remove and replace the Sponsor, with such person or persons designated by a Majority of the Contributors. Any change in sponsor of the Fund pursuant to this paragraph shall be deemed to have met any investor approval-related requirements under the AIF Regulations.

12.6. *Key Person Event*¹⁶

- (a) A “**Key Person Event**” shall be deemed to have occurred if, at any time during the Term of the Fund, any of the Key Persons, cease to devote substantially all of their business time to the Fund. The Investment Manager shall promptly provide written notice to the Contributors and the Advisory Committee of such Key Person Event.
- (b) Upon the occurrence of a Key Person Event, the Investment Manager shall be required to replace such Key Person (“**Replacement Key Person**”), with suitably qualified individual/individuals, as approved by the Advisory Committee, within 120 (one hundred and twenty) days following the occurrence of the Key Person Event, such that the conditions that triggered the Key Person Event no longer apply or provide such other solution to the satisfaction of the Advisory Committee. Any replacement will be deemed to be a key person in place of the original Key Person of the Investment Manager for the purposes of this Agreement.
- (c) On the occurrence of a Key Person Event, the Fund shall enter into a “**Suspension Period**” until such Key Person Event has been cured, withdrawn or disposed of (as the case may be). During the Suspension Period, no new Investments in Portfolio Companies shall be made by the Fund other than those that the Fund had a legal binding obligation to make at the time of the occurrence of the Key Person Event. Further, unless agreed by the Advisory Committee, no divestments from the Portfolio Investments shall be made by the Fund other than for the commitments which are legally binding on the Fund and existing at the time of occurrence of the Suspension Period.
- (d) If a Suspension Period has occurred during the Commitment Period and a Replacement Key Person has been appointed prior to the expiration of the Commitment Period, subject to receipt of approval from the Advisory Committee, the Commitment Period shall stand extended to the extent of the period equal to the period of the Suspension Period.
- (e) If the Key Person Event occurs during the Commitment Period and not cured within [180 (one hundred and eighty) days] following the occurrence of the Key Person Event, the Commitment Period shall automatically terminate.
- (f) If the Key Person Event is occurred during the Commitment Period and is not cured during the Suspension Period, the Management Fee

¹⁶ To be updated basis the terms agreed with the manager.

payable to the Investment Manager will be reset and will be calculated in a manner as is calculated after the termination of the Commitment Period from the date of the occurrence of the Key Person Event until the end of the Commitment Period (and any additional Management Fee paid may be set-off against the Management Fee payable).

- (g) If the Key Person Event is occurred after the Commitment Period and is not cured during the Suspension Period, the Management Fee payable to the Investment Manager will be reset and be 50% (fifty per cent) of what would be otherwise payable and calculated from the date of the occurrence of the Key Person Event until the end of the Term of the Fund (and any additional Management Fee paid may be set-off against the Management Fee payable).

13 Appointment of new investment manager

- 13.1. Upon removal/discontinuation of the Investment Manager in terms of **Clause 12.5** above, the Trustee shall appoint a new investment manager in its place with the consent of (i) Majority of the Contributors in case the Manager was removed for Cause or (ii) Super Majority of the Contributors in case the Manager was removed for any reasons other than Cause.
- 13.2. Such appointment of a new investment manager shall be effected by execution of a deed of appointment between the Trustee and new investment manager, and the Trustee shall take all steps as may be necessary to effect the replacement of the Investment Manager.
- 13.3. On appointment of a new investment manager, the new investment manager shall have all the powers, authorities and discretion, and shall in all respects act and be liable as the Investment Manager from the date of its appointment. On appointment of a new investment manager, the Fund shall be managed by the new investment manager and Trustee and Contributors shall execute necessary documentation for enabling the new investment manager to manage the Fund and its Portfolio Investments.
- 13.4. The Trustee and Investment Manager shall inform SEBI (as per the AIF Regulations) in case of termination of the Investment Management Agreement and consequent change in the Investment Manager, seek prior approval from SEBI in case of 'change in control' (as defined under the AIF Regulations) of the Investment Manager and provide such intimations / seek SEBI approvals from time to time as are required under the AIF Regulations.

14 Waiver not to impair rights

No delay in exercising or omission to exercise any right, power or remedy accruing to any of the Parties upon any default under this Agreement, or under the Indenture (as

modified from time to time) shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of any concerned Party in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of the concerned Party in respect of any other default.

15 Indemnity

15.1. The Contributor hereby expressly agrees that, subject to any limitations set out in the Fund Documents, the Fund will indemnify the Trustee, the Investment Manager, the Sponsors and any of their respective Affiliates (duly authorised to act for the Fund), directors, shareholders, partners and employees, (duly authorised to act for the Fund) and members of the Investment Committee (collectively, the “**Covered Persons**”) and members of the Advisory Committee (including, in respect of their actions with regard to the Advisory Committee, Contributors nominating members to the Advisory Committee) (each, an “**AC Covered Person**”) against any and all claims, losses, costs, damages, liabilities any tax liabilities but solely to the extent required to be borne by the Fund under this Agreement (including penalties and interest thereon) and expenses, including reasonable legal fees (“**Losses**”) incurred by a Covered Person by reason of its activities in connection with the Fund, unless such Losses resulted from (i) in the case of the Covered Persons, “**Malfeasance**” (which shall mean any material breach of applicable law or regulation, conduct or lack of conduct constituting Cause of such Covered Person, and/or material breach of this Agreement, any other Contribution Agreement, any other Fund Document or any Side Letter by such Covered Person) and (ii) in the case of an AC Covered Person, fraud by such AC Covered Person. Subject to any limitations set out in the Fund Documents, the indemnification set out in this **Clause 15.1** will continue to apply after the termination or dissolution of the Fund. For the purposes of this **Clause 15**, the meaning ascribed to the term ‘Cause’ in **Clause 12.5** shall be interpreted to apply mutatis mutandis to each Covered Person.

The Fund shall use its commercially reasonable efforts to obtain the funds needed to satisfy its indemnification or repayment obligations under this **Clause 15** from Persons other than the Contributors (for example, out of Fund assets or pursuant to insurance policies or Portfolio Company indemnification arrangements) before making payments pursuant to this **Clause 15** and before requiring the Contributors to return distributions to the Fund pursuant to **Clause 2.16.3**. Notwithstanding the preceding sentence, nothing in this clause shall prohibit the Fund from making such payments or requiring the Contributors to return such distributions if the Investment Manager reasonably determines that the Fund is not likely to obtain sufficient funds from such other sources in a timely fashion, or that attempting to obtain such funds would be futile or not in the best interests of the Fund (for example,

nothing in this clause shall require the Fund to sell any Portfolio Investment before such time as the Investment Manager shall determine is advisable).

To the extent that any Covered Person or AC Covered Person recovers amounts pursuant to any other indemnification policy or any insurance policies by which such person is indemnified or covered, such Covered Person or AC Covered Person shall reimburse such amounts to the Fund to the extent that such indemnification amounts have already been paid by the Fund to such Covered Person or AC Covered Person.

Notwithstanding the above, (a) the Fund's indemnification obligations under this **Clause 15** shall not apply to claims, liabilities, damages, losses, costs and expenses arising out of disputes between or among the Insiders, (b) the Fund shall not indemnify any Covered Person in respect of any claim from holders of Class A Units holding at least [35%] of the Capital Commitments from the Class A Unitholders collectively, unless and until such claim is decided in favor of such Covered Person by a court of competent jurisdiction and (c) no Covered Person or AC Covered Person shall be indemnified by the Fund with respect to investment losses or taxes incurred by such Covered Person or AC Covered Person as a result of such person's direct or indirect ownership of an interest in the Fund or in any Portfolio Company.

The provisions of **Clause 15** shall continue to afford protection to each Covered Person and AC Covered Person regardless of whether such Covered Person or AC Covered Person remains in the position or capacity pursuant to which such Covered Person or AC Covered Person became entitled to indemnification under **Clause 15** (*provided* that such former Covered Person or AC Covered Person shall only be entitled to indemnification with respect to actions or omissions by such Person while such Person was a Covered Person or AC Covered Person, as applicable).

- 15.2. Any provision of this Agreement shall be void insofar as it would have the effect of indemnifying by causing the indemnification of the Covered Persons against any liability which by virtue of any rule of law would otherwise attach to it in respect of any Malfeasance (or, in the case of the Investment Manager and the Trustee, for the Malfeasance of any of their related Covered Persons).

16 Confidentiality

- 16.1. The Contributor shall not disclose any provision of this Agreement or any other non-public information in connection with the Fund, the investments or the Investment Manager, except:

- i. to an officer, employee, financier, professional adviser or insurer of the Contributor, provided that such officer, employee, financier or professional adviser is under a similar obligation of confidentiality;
- ii. to such other Person after obtaining the written consent of the Investment Manager;
- iii. as required under Applicable Law; or
- iv. to other Contributors.

17 Standard of Care and Limitation on Liability

- 17.1. The Investment Manager shall carry out its obligations under this Agreement and the other Fund Documents with the due professional care, diligence and skill expected of a reasonable person having the professed skills, expertise and reputation of the Investment Manager and as is expected of a comparable investment manager in the industry, in accordance with all fiduciary duties of the Investment Manager pursuant to Applicable Law, in the best interests of the Fund, and in good faith.
- 17.2. Subject to **Clause 17.5**, the Investment Manager and/or the Trustee shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or (without being limited in any way by the foregoing) other paper or document believed (in its reasonable opinion) to be genuine and to have been passed, sealed or signed by appropriate authorities or entities.
- 17.3. Subject to **Clause 17.5**, the Investment Manager and/or the Trustee shall not incur any liability by reason of any loss, which a Contributor may suffer by reason of any depletion in the value of the assets of the Fund.
- 17.4. For the avoidance of doubt, it is hereby agreed and declared that references to the Investment Manager in this **Clause 17** shall be deemed to include Trustee.
- 17.5. Notwithstanding anything to the contrary in this Agreement, any provision of this Agreement shall be void insofar as it would have the effect of limiting the liability of any Covered Person for any act of Malfeasance by such Covered Person or limiting the liability of the Investment Manager or the Trustee for any acts of Malfeasance by themselves or their related Covered Persons.
- 17.6. An AC Covered Person shall not be liable or responsible or accountable to any of the Covered Persons, the Fund, or any Contributor for any claims, costs, losses, damages or expenses (including reasonable attorneys' fees

and costs) arising out of or in connection with any act or omission of an AC Covered Person, except in the case of fraud by such AC Covered Person as determined by a court of competent jurisdiction.

18 Conflicts of Interest

- 18.1. The Investment Manager shall ensure that the Fund shall not enter into any transaction, arrangement or investment, and no Insider shall enter into any transaction, arrangement or investment in relation to the Fund or any of its Portfolio Companies, in each case with respect to which an Insider may have a direct or indirect interest or concern, including, without limitation, any investment by an Insider in any Portfolio Company alongside the Fund or in which the Fund has any investment, (each a “**Conflicted Transaction**”) unless in each case the Investment Manager receives the prior consent of the Advisory Committee and the Conflicted Transaction is carried out on arm’s-length terms.

Further, the Investment Manager shall ensure that the Insider shall disclose to the Advisory Committee, all conflicts of interests as contemplated in this **Clause 18.1**, as and when they arise or seem likely to arise and, unless otherwise agreed by the Advisory Committee, shall ensure that such Insider (other than the Investment Manager) shall not participate in any decision, with respect to the Fund, relating to such Conflicted Transaction.

The Investment Manager shall establish and implement written policies and procedures to identify, monitor and appropriately mitigate conflicts of interest on a continuous basis throughout the Term of the Fund. The Investment Manager shall, and shall cause the Sponsors to, act in a fiduciary capacity and abide by high level principles on avoidance of conflicts of interest with associated persons, as may be specified by SEBI from time to time including disclosure requirements under the AIF Regulations.

19 Miscellaneous

- 19.1. For administrative and operational convenience, the Trustee has delegated to the Investment Manager such powers and duties including management and administration of the Fund under the Indenture and this Agreement, and the Investment Manager accepts such delegation and agrees that it shall carry out such powers and duties in accordance with the terms of the Fund Documents and applicable law. The Trustee shall not interfere with the actions of the Investment Manager so long as these actions are within the powers of the Investment Manager as set forth in this Agreement or the Investment Management Agreement and are consistent with the objectives of the Trust. The Investment Manager will, on behalf of the Trustee and in the Fund’s name, accept Capital Contribution from each of the Contributors. The Investment Manager shall invest the Investible Funds in terms of the Fund Documents and in accordance with the Applicable Laws (including the AIF Regulations) and the Contributor agrees to the same.

19.2. Approvals

The Trustee or the Investment Manager shall approach the Contributor for obtaining all consents and approvals required to be obtained from the Contributor under this Agreement and under Applicable Law.

19.3. Service of notice

- (a) Any notice or request to be given or made to the Parties shall be in writing (including telex, facsimile, email or similar writing) and delivered per the details specified below or at such other address, facsimile number or email address as any of the Parties hereto may specify in writing to the others from time to time by way of notice in accordance with this **Clause 19.3**:

If to the Trustee at:

Address: As set forth in the Parties clause.

Attn: _____

Phone: _____

Facsimile: _____

Email: _____

If to the Investment Manager, at:

Address: As set forth in the Parties clause.

Attn: _____

Phone: _____

Facsimile: _____

Email: _____

If to the Contributor at:

Address: 3rd & 4th Floor, Atma Ram House, 1, Tolstoy Marg, New Delhi – 110 001

Attn: [●]

Email: vcfoperations@sidbi.in

Any change in the notice details of the Parties set out herein above shall be notified by such Party to the other Parties immediately in accordance with this **Clause 19.3**

- (b) Unless otherwise specified in this Agreement, such notice or request shall be deemed to have been given or made when sent through facsimile, electronic mail, registered post or courier at the

address/number of the other Party as specified in this Agreement and such notice shall be deemed to have been received by the other Party within 5 (five) days from the date of dispatch of the registered post/courier; within 24 hours from the electronic mail being sent or upon receiving the confirmation of transmission of the facsimile.

19.4. Overriding effect

This Agreement along with its annexures, exhibits, schedules (if any) constitutes the entire agreement among the Parties pertaining to its subject matter, and supersedes all prior and contemporary agreements and understandings. The Parties intend this Agreement to be the final expression of their agreement with respect to its terms, and the complete and exclusive statement of those terms, provided that a Contributor and the Fund, Investment Manager and/or Trustee may enter into separate side letters in writing to capture additional terms applicable to such Contributor (each such letter a “**Side Letter**”) and in the case of the Contributor, any such Side Letter along with this Agreement shall constitute the entire agreement among the Parties pertaining to its subject matter.

In case of any conflict between the provisions of this Agreement on the one hand and any other Fund Documents on the other hand, the provisions of this Agreement shall prevail; and, the Trustee and the Investment Manager shall procure that the Indenture, the Investment Management Agreement and the Memorandum are amended to remove any such conflict. Notwithstanding the foregoing, in case of any conflict between the provisions of this Agreement and the provisions contained in **Annexure A**, the provisions contained under **Annexure A** shall prevail.

The Fund and the Investment Manager represent, warrant and covenant that the Contribution Agreements pursuant to which the Contributors have agreed (or will agree) to become Contributors in the Fund will be substantially identical to this Agreement (except as to (i) the amount of Capital Commitments made thereby and details of a Contributor; (ii) changes to certain representations and warranties made by any other Contributor that relate to legal, regulatory or organizational facts unique to such other Contributor; (iii) dispute resolution (as set out in **Clause 19.9** of this Agreement).

19.5. Effective date of Agreement

This Agreement shall become binding on the Parties on and from the date first above written.

19.6. Partnership or Agency

Nothing in this Agreement shall constitute or be deemed to constitute a partnership, agency, association of persons or otherwise between any of the Parties hereto and none of them shall have any authority to bind the other in any way.

19.7. Deed of Adherence

In the event of transfer of a Unit by a Contributor as contemplated in **Clause 2.9.3**, the Contributor shall provide the Trustee/Investment Manager such identity details of the new contributor as may be required by the Trustee/Investment Manager. The new contributor shall execute, and the Contributor shall ensure that the new contributor executes, a Deed of Adherence acknowledging to be bound by the terms and conditions of the Fund Documents, substantially in accordance with the form attached as **Exhibit B** hereto. Costs and duties with respect to such Deed of Adherence shall be borne by the new contributor.

19.8. Governing law and Jurisdiction

The provisions of this Agreement shall be governed by and construed in accordance with the laws of the Republic of India and, subject to **Clause 19.9**, the courts of Delhi shall be the forum for the administration hereof.

19.9. Arbitration and Dispute Resolution

- (a) In the event any dispute arises between the Parties in relation to this Agreement, the Parties shall in the first instance attempt to mutually resolve such dispute.
- (b) If the dispute has not been resolved through consultations within 30 (thirty) days after one Party has served written notice on the other Party requesting the commencement of such discussions, either Party may in writing demand that the dispute be finally settled by the arbitration of three arbitrators. The claimant(s) shall nominate 1 (one) arbitrator. The respondent(s) shall nominate 1 (one) arbitrator. The 2 (two) arbitrators thus appointed shall nominate the third arbitrator who shall be the presiding arbitrator. If within 15 (fifteen) Business Days of a request from the other party to do so, a party fails to designate an arbitrator, or if the 2 (two) arbitrators fail to designate the third arbitrator within 15 (fifteen) Business Days after the confirmation of appointment of the second arbitrator, the appointment shall be made, upon request of a party, in accordance with the Arbitration and Conciliation Act, 1996.
- (c) The arbitration shall be governed by the Arbitration and Conciliation Act, 1996 or any amendments thereto. The place of arbitration shall

be Delhi, India. The language of arbitration shall be English. The arbitration award shall be final and binding upon the Parties.

20 Most Favoured Nation

- 20.1 The Investment Manager shall ensure that any favourable rights or benefits (“**MFN Rights**”) than those offered to the Contributor that are offered by the Fund / Investment Manager to any other Contributor who has agreed to contribute an amount less than or equal to the Capital Commitment of the Contributor (“**Relevant Contributor**”), shall also be offered to the Contributor. Such offer shall be made to the Contributor in writing by the Investment Manager (“**MFN Notice**”). The Contributor may in its sole discretion choose to have such MFN Rights extended to itself by issuing a notice in writing to the Investment Manager within 15 (fifteen) Business Days of receipt of the MFN Notice (“**MFN Election Notice**” and the elected MFN Right being an “**Elected MFN Right**”). Upon the issuance of the MFN Election Notice, the Elected MFN Rights shall *ipso facto* stand extended to the Contributor from the date of the MFN Election Notice and this Contribution Agreement shall be deemed to have been amended accordingly.
- 20.2 Notwithstanding anything to the contrary mentioned above, the Contributor shall not be entitled to receive the benefit of: (i) any provision that is related to any regulatory, government or statutory requirement imposed on, or tax provisions applicable to, the Relevant Contributor; and (ii) the fee/commercial terms available to the holders of Class [●] Units; and/or (iii) any favourable fee/commercial terms provided to a Relevant Contributor that is a feeder fund/vehicle.
- 20.3 In the event that any rights sought by the Contributor pursuant to this Clause, are subject to any corresponding or associated provisions, burdens and/or obligations, then the grant of such rights to the Contributor will be contingent on its agreement to be bound by any such provisions, burdens and obligations.

21 Amendments

- 21.1 Subject to **Clause 21.2** and **Clause 21.3**, this Agreement (including the Schedules, Annexures and Exhibits hereto), the Indenture and the Investment Management Agreement may be amended, supplemented, waived or modified by execution of an amendment by the Investment Manager and the Trustee with the consent of a Super-Majority of the Contributors, provided that: (i) no such amendment may
- (a) materially and adversely affect the rights or economic interests of a Contributor in a manner that discriminates against such Contributor vis-à-vis the other Contributors, increase the Capital Commitment of a Contributor, reduce a Contributor’s share of the Fund’s

distribution, income or gains, increase a Contributor's share of the Fund's losses, or adversely affect the limited liability of a Contributor, without the written consent of such Contributor;

- (b) amend this **Clause 21.1** without the prior written consent of all Contributors;
- (c) change the percentage of Contributors (the "**Required Interest**") necessary for any consent required under this Agreement without the approval of Contributors who then hold Capital Commitments equal to or in excess of the Required Interest for the subject of the proposed amendment; or
- (d) increase the Investment Management Fee or Additional Return as applicable to any Class or sub-Class of Units without the prior written consent of all Contributors of that Class or sub-Class as applicable.

21.2 The Trustee or the Investment Manager may, without the consent of any Contributor, amend, waive, supplement or modify any provision of this Agreement only for the following purposes:

- (a) to correct any printing, stenographic or clerical errors, provided that for the avoidance of doubt such amendment does not have a material adverse effect on any Class A Unitholder; or
- (b) to change the name of a Contributor pursuant to death, incapacity, corporate restructuring, merger, acquisition, amalgamation or takeover of such Contributor.

21.3 Notwithstanding **Clauses 21.1** and **21.2**, to the extent the AIF Regulations require a higher threshold for Contributor approval for any amendments to this Agreement, then the AIF Regulations shall prevail.

21.4 Within a reasonable period after any change or amendment or waiver in accordance with this **Clause 20**, the Trustee or the Investment Manager shall send a written notice to the Investor describing such change or amendment or waiver in reasonable detail.

21.5 The provisions of this **Clause 20** do not apply to rights established under, or alterations or supplements to the terms hereof made pursuant to, Side Letters.

22 Counterparts

This Agreement may be executed in counterparts, each of which, when so executed and delivered, shall be deemed an original instrument, but all of which together shall constitute a single agreement. Delivery of an executed signature page of a

counterpart of this Agreement in Adobe Portable Document Format sent by electronic mail, shall take effect as delivery of an executed counterpart of this Agreement.

23 Survival

Termination of this Agreement shall not affect the following provisions: **Clause 2.16.3, Clause 5, Clause 11, Clause 15** (but solely to the extent of the Contributor giveback described in **Clause 2.16.3**), **Clause 16, Clause 19.3, Clause 19.4, Clause 19.6, Clause 19.8, Clause 19.9, Clause 23, Clause 24, Clause 25.**

24 Severability

If any provision or part thereof of this Agreement shall be held void or becomes void or unenforceable at any time, then the rest of the terms of this Agreement shall be given effect to as if such provision or part thereof does not exist in this Agreement. The Parties agree that such an event shall not in any manner, affect the validity and the enforceability of the rest of this Agreement.

25 Assignment

Notwithstanding anything else contained in this Agreement or the Fund Documents and subject to Applicable Laws, the Trustee or the Investment Manager may assign this Agreement or transfer any rights hereunder to a third party which may include an Affiliate or group company of the Investment Manager, with the consent of the Contributor. Upon such assignment or transfer, the assignee / transferee company shall have the same rights against the Contributor and obligations towards the Contributor, as provided to the Trustee or the Investment Manager (as the case may be) under this Agreement.

26 Transfers/Change of Control

Any change in control (*control as defined under the AIF Regulations*) of the Sponsor or the Manager to any Person not an Affiliate of the Sponsor or the Manager will not be made without the consent of the Super Majority of the Contributors.

27 Limitations on Borrowing

The Fund shall not borrow, directly or indirectly, except to meet the temporary funding requirements for not more than 30 (thirty) days, not more than 4 (four) occasions in a year and up to 10% (ten percent) of the Investible Funds.

[Intentionally left blank. Signature page follows.]

In WITNESS WHEREOF the Parties hereto have executed this Agreement as of the day and year first above written.

1. SIGNED AND DELIVERED by the within named
Trustee – [●]
by the hand of its authorized signatory

In the presence of:



2. SIGNED AND DELIVERED by within named Investment Manager – [●], by the hand of its authorized signatory

In the presence of:



3. SIGNED AND DELIVERED by the Contributor,
**Fund of Funds for Startups, Ministry of
Commerce & Industry, Government of India,**
by the hand of its authorized signatory

In the presence of:



4. SIGNED AND DELIVERED by the **SIDBI, acting on behalf of Fund of Funds for Startups, Ministry of Commerce & Industry, Government of India**, by the hand of its authorized signatory

In the presence of:



Schedule I

DETAILS OF CAPITAL COMMITMENT

Name and details of Contributor	Capital Commitment	Class of Units
<p>1. <i>For all Contributors:</i></p> <p>Name: _____</p> <p>Permanent Address/Registered Address: _____</p> <p>PAN: - _____</p> <p>Telephone: _____</p> <p>Facsimile: - _____</p> <p>E-mail address: _____</p>	<p>_____</p>	<p>Subscription of Class _____ Units.</p>

Schedule II

CONTRIBUTOR REPRESENTATIONS AND WARRANTIES

In case of a person other than an individual:

- (1) It is duly incorporated under Indian law or the applicable law of the country wherein it is duly incorporated / registered and has the power to conduct its activities as presently conducted.
- (2) It has the power and capacity to enter into this Agreement.
- (3) It has the full power, capacity and authority to execute, deliver and perform this Agreement and has taken all necessary actions and approvals (corporate, statutory or otherwise) to authorize the execution, delivery and performance of this Agreement, and this Agreement is a legal, valid and binding obligation of the Contributor, enforceable against the Contributor in accordance with its terms.
- (4) There are no bankruptcy proceedings against the Contributor.
- (5) It is not a party to or otherwise bound by any agreement which would adversely affect in any material way the performance of its obligations under this Agreement.
- (6) None of the following have occurred and is subsisting and no notice in connection therewith has been served in relation to the Contributor:
 - (a) An application to a court for an order, or the making of any order, that it be wound up, that a liquidator, receiver or custodian be appointed of the Contributor or any of its assets or that it be placed in bankruptcy.
 - (b) A resolution for winding up or dissolution.
 - (c) The convening of a meeting or passing of a resolution to appoint a liquidator.
 - (d) A scheme of arrangement, amalgamation or reconstruction or composition with or without assignment for the benefit of, all or a class of creditors.
 - (e) The taking of any action to seize, attach, take possession of or appoint a custodian, receiver, liquidator or manager in respect of the Contributor or any of its shares or property.
 - (f) Any other event or condition, which could have a material adverse impact on the Contributor's ability to meet its Capital Commitment to the Fund or comply with this Agreement in any material respect.

In case of an individual Contributor:

He is a citizen/resident of India or of any other country from where the investment/contribution is not prohibited under the Applicable Laws.

He has the power and capacity to enter into this Agreement.

He has been provided the Memorandum prior to entering into this Agreement and has read the terms and the conditions mentioned in the Fund Documents including the risk factors and accept the same unconditionally.

He has the full power, capacity and authority to execute, deliver and perform this Agreement and has taken all necessary sanctions and approvals (statutory or otherwise) to authorize the execution, delivery and performance of this Agreement by him and this Agreement is a legal, valid and binding obligation of the Contributor, enforceable against the Contributor in accordance with its terms.

He is not a party to or otherwise bound by any agreement which would in any way affect the performance of his obligations under this Agreement and there are no existing or threatened actions or proceedings against him which, if decided against him, would have a material adverse effect on him or his business, properties and assets or on his ability to perform his obligations under this Agreement.

Any amount contributed and to be contributed under this Agreement is and will be through legitimate sources only and does not and will not involve and is not and will not be designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, Prevention of Money Laundering Act, 2002, Prevention of Corruption Act, 1988 and/or any other Applicable Law in force and also enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued thereunder.

None of the following has occurred and is subsisting and no notice in connection therewith has been served in relation to the Contributor:

- (a) An application to a court for an order, or the making of any order, that he be declared an insolvent or any of his assets be placed in bankruptcy.
- (b) The taking of any action to seize, attach, take possession of or appoint a custodian, receiver, liquidator or manager in respect of any of his assets or property.
- (c) Any other event or condition, which could have a material adverse impact on the Contributor's ability to meet its Capital Commitment to the Fund.

Exhibit A

FORM OF DRAWDOWN NOTICE

[ON THE LETTER HEAD OF INVESTMENT MANAGER]

Date

Mr./Ms. [____]

Re: Notice of Drawdown for the Fund

Dear Sir/Madam,

This drawdown notice is being issued pursuant to **Clause 2.2** of the Contribution Agreement dated [____] (the “**Agreement**”) entered into between you, [●] (the “**Trustee**”) and [●] (the “**Investment Manager**”).

In accordance with **Clause 2.3** of this Agreement, the Investment Manager is required to give each contributor at least [30 (thirty) days]’ notice prior to the date by which the contributors shall be required to contribute capital (the “**Drawdown Date**”). With respect to this notice of drawdown, you are required to make a payment of Rs. [____], which is [____]% of your total commitment of Rs. [____] to the Fund.

The Drawdown Date for this call is [____].

The payment is to be made so that the funds are received by the Investment Manager no later than [____] IST on [____].

The intended use of this Capital Contribution request is for [●] and [●].

Please discuss with your bank when it would be necessary for you to release the funds in order to meet this important deadline.

Please draw your cheque in favour of “[●]” and send the same to the address noted below:

[●]

Address – [●]

E-mail – [●]

Alternatively, the wiring instructions are as follows:

Name: [____]

Bank:[____]

For credit to A/c No.: [____]

SWIFT: [_____]

Ref: [_____] [*Name of Contributor*]

Or please confirm payment by email no later than [_____] to: [_____] (Email: [_____] and Telephone No. [_____])

In your email please also identify the name of your remitting bank so that the Investment Manager can monitor the incoming funds more easily. Thank you in advance for your co-operation and attention to this matter.

Yours faithfully,

Authorised Signatory

Exhibit B

DEED OF ADHERENCE

DEED OF ADHERENCE made on the [____] day of, [____] (“**Deed**”)

BY:

Name of new contributor (the “**New Contributor**”).

RECITALS:

- (A) On [____] day of [____], [____] (“**Trustee**”), [____] (“**Investment Manager**”) and [____] (Name of Contributor) (“**Original Contributor**”) entered into a Contribution Agreement (the “**Agreement**”).
- (B) The Memorandum, Indenture, Investment Management Agreement along with this Agreement collectively known as the “**Fund Documents**” forms a part of this Deed.
- (C) In terms of the provisions of **Clause 2.9** of this Agreement, the Original Contributor has transferred his Units/Capital Commitment to the New Contributor and such transfer was taken on record by the Trustee on [____] [date] for which purpose the New Contributor desires to execute this Deed as contemplated under **Clause 19.8** of this Agreement.

NOW THIS DEED WITNESSES as follows:

Interpretation

- 1. In this Deed, except as the context may otherwise require, all words and expressions defined in the Fund Documents shall have the same meanings when used herein.

Undertaking

- 2. The New Contributor hereby undertakes to all persons who are at present or who may hereafter become bound by the Fund Documents, to adhere to and be bound by all the duties, burdens and obligations, if any, as may be specified in any of the Fund Documents and all documents expressed in writing to be supplemental or ancillary thereto as if the New Contributor had been an original party to the Fund Documents since the date thereof.

Enforceability

- 3. Each existing Contributor, the Trustee and the Investment Manager shall be entitled to enforce the obligations and duties under the Fund Documents against

the New Contributor as if the New Contributor had been an original party to the Fund Documents since the date thereof.

Governing Law

4. This Deed of Adherence shall be governed by and construed in accordance with the laws of the Republic of India and the courts of New Delhi shall be the forum for the administration hereof.

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

SIGNED, SEALED AND DELIVERED by
by the within named [New Contributor]

in the presence of:

Name: [____]

Title: [____]

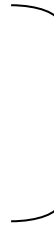


Exhibit C

Format for Startup Certificate

Date: [●]

The Chief General Manager
VCF Operations Vertical
SIDBI
New Delhi Office

Dear Sir,

[●]

Investment in _____ (name of the Company)

This is to certify that _____ Pvt Ltd [name of the company] is a Startup at the time of investment by _____ (Name of Fund) as per the definition of Startups vide Gazette Notification G.S.R. 127(E) dated February 19, 2019 as modified from time to time.

- The company was established on _____ [date of incorporation]. The company is not formed by splitting up, or reconstruction, of a business already in existence.
- The annual turnover of the company has not exceeded Rs.100 Crore in any of the last 10 (ten) financial years.
- It is working towards innovation, development or improvement of products or processes or services, or a scalable business model with a high potential of employment generation or wealth creation.

This certificate is issued as part of compliance for coverage under Fund of Funds for Startups (FFS) of Government of India.

Yours faithfully

(Name, signature and stamp of the
Authorised signatory of the Investment Manager)

Annexure A

SIDBI's Letter of Intent

Notwithstanding anything to the contrary contained elsewhere in this Agreement or the other Material Documents, the provisions contained in this Annexure A shall be applicable to the Contributor and in the event of any conflict(s) between the provisions set out in this Annexure A and any other provisions contained elsewhere in this Agreement or other Material Documents, the provisions set out in this Annexure A shall prevail.

For the purposes of this Annexure A, "**Startup**" shall have the meaning assigned to it under the Gazette Notification G.S.R. 127 (E) dated February 19, 2019, as amended from time to time.

A. Pre-Commitment Conditions: Before the commitment from the Contribution under FFS becomes effective, the Fund shall agree for the following:

1. The Fund shall be registered with SEBI and shall invest at least twice the amount of Capital Contributions received from the Contributor in Startups. Out of such amount, the Fund shall not invest in an entity as and when it ceases to be a Startup, provided that, if the amount committed by the Fund to a Startup is not disbursed in whole at the time the Startup ceases to be so, the balance funding may continue thereafter out of the aforesaid amount.

The Investment Manager shall furnish a certificate to the Contributor to the effect that the Portfolio Entity is a Startup as defined herein, prior to seeking a Drawdown to invest in such entity, in the format set forth in Exhibit C.

The Contributor shall be entitled to monitor, to its satisfaction, the compliance of the conditions set forth in this paragraph A1, at the time of each Drawdown request made by the Investment Manager.

2. The Fund will also file with SEBI the revised/addendum to Memorandum and will take the approval of Contributors, if required.
3. The Investment Manager shall issue a separate class of unit, viz. 'Class [●]' for contribution under FFS. Such Class of Unit shall be charge total fees / expense not exceeding 1.71% per annum (including Investment Management Fee, Set up Costs, Operating expenses etc.). Further such class of unit shall also receive the first loss protection as available to other class of units [to the extent of 10% of the corpus at fund level]. No risk premium shall be payable to the Investment Manager.
4. The contribution of the Contributor, out of the FFS, to the Class [●] units of the Fund will be to an extent of [●] (in the form of [●] Class units of INR [●] each) or 21% of the effective Capital Commitment / Corpus whichever is lower at any point of time. The Contributor's Capital Contribution shall at no point of time exceed 21% of the aggregate amount disbursed to the Fund by various committed investors. The units issued in respect of the Contributor's Capital Contributions will be issued

in the name of "Ministry of Commerce & Industry (Contact Institution / Fund Manager: SIDBI)".

5. The disbursement by the Fund will be made directly to Portfolio Entities. The Fund shall be involved solely in new primary investing, i.e., the Fund's investment shall be utilized by the Portfolio Entity for its growth plans, provided that the Fund may utilize up to 20% (twenty per cent) of the Corpus for secondary investments selectively.
6. The Fund shall comply with all the guidelines and provisions of the Regulations and furnish a certificate of compliance with SEBI guidelines prior to release of assistance.
7. Issue of any further Units or Sub-classes of Units, except for [●] (as mentioned in Memorandum), shall require the approval of the Contributor.
8. The Trustee and Investment Manager shall enter into this Agreement to satisfaction of the Contributor. As a clarification, the Trusteeship Fees payable to the Trustee shall be part of the Operating Expenses of the Fund.
9. The return to the Contributor on its investment will not be less than the return to other Contributors.
10. Any transaction fees (viz. arrangement fees, underwriting fees, monitoring fees, director's fees, advisory fees, consulting fees, broken deal expenses and other similar fees in connection with the portfolio investments) earned by Investment Manager and/or its directors, officers, employees, net of related expenses incurred, shall be adjusted against the Investment Management Fee.
11. The Contributor reserves the right to nominate a member on the Advisory Committee and other boards /committees (other than Investment Committee) as and when formed.
12. The Investment Committee, if required, shall be suitably broad based to the satisfaction of the Contributor.
13. No Compensatory Contribution will be charged to the Contributor. Catch-up Contribution payable by the Contributors, if any, participating in a Subsequent Closing shall not be charged to the Contributor. Further, the Contributor shall be allotted Units on the same basis as allotted to the Contributors who have participated before Contributor's Capital Contribution / First Closing. This will be confirmed by a letter issued by the Investment Manager that the Contributor will not be paying Catch-up Contribution and that the Units are allotted at face value (without Catch-up Contribution) i.e. number of Units = Capital Contribution / face value of each Unit.

14. No one-time access fee / placement fee / mobilization fees / upfront fees / Set-Up Costs / Operating Expenses / establishment expenses shall be paid by the Contributor to the Fund. A certificate in this regard shall be furnished by the Fund to the satisfaction of the Contributor, as and when the amount is debited to the Fund.
15. The Investment Manager is restricted to invest in such Portfolio Entities where the Investment Manager is having existing investments. However, in case, the Fund proposes to invest in any of such Portfolio Entities, the Investment Manager's interest will be properly disclosed and such existing investments would not be divested till such time the Fund has investments in such Portfolio Entities.
16. The income earned from Temporary Investments made, if any, for the period commencing from the date of receipt of monies for each Drawdown Notice (issued to the Contributor) and ending with the date of the Fund Investment, shall not form part of the Investment Proceeds and the same shall be distributed to the Contributor in proportion to its related Capital Contribution for the relevant Drawdown Notice.
17. The Fund shall invest generally in Portfolio Companies based in India. In case of Portfolio Companies based abroad, the Fund shall invest only as per SEBI/ RBI guidelines in this regard. The minimum investment in Startups / medium and small enterprises required by SIDBI shall only be reckoned for investments in Portfolio Companies based in India.
18. Prior to entering into this Agreement and also at the time of the Final Closing, the Investment Manager shall submit a list of Contributors to the Contributor along with a certificate issued by the Trustee, confirming compliance with KYC guidelines of RBI.
19. The Investment Manager may make warehoused investments prior to the First Closing, which can be subsequently acquired by the Fund at the cost of acquisition. However, no holding cost shall be charged to the Fund for such acquisition.
20. The Fund shall allocate Units for all Drawdowns from the Contributor irrespective of their utilization in terms of Investments, fees/expenses, Set-up Costs, etc.
21. The aggregate Capital Contributions to the corpus of the Fund, if any, from the Contributor being operated by different ministries of the Government of India / State Government shall not exceed [●] of its corpus. In case such aggregate Capital Contributions exceeds [●], the Capital Contribution out of FFS shall be reduced to that extent. The Fund/Investment Manager shall furnish a certificate at the time of Final Closing, to the satisfaction of SIDBI in this regard.
22. The draft of the Contribution Agreement shall be vetted by the independent legal firm duly appointed by the Contributor. The cost of this assignment shall be borne

by the Investment Manager and shall be paid directly to the legal firm so appointed. This expenditure shall not be debited to the Fund.

23. The Investment Manager shall cause the Fund Documents to be amended, such that no other schemes shall be floated by the Fund and shall satisfy the Contributor of the same.
24. The Investment Manager shall cause the Fund Documents to be amended to include Startups among the permissible Portfolio Entities under the objective of the Fund.
25. The Investment Manager shall modify the **Clause 12.6** of this Agreement such that the Clause remains effective for the entire Term of the Fund.
26. The Investment Manager shall upload the Drawdown requests and monitoring data on a regular basis on the PEFO platform.
27. The Contributor reserves the right to stipulate any other/additional conditions till the finalization / execution of this Agreement.
28. [The Investment Manager and the Settlor shall undertake and confirm that:
 - (a) no syndication fee shall be collected by the Settlor for debt facility availed by a Portfolio Entity from the Fund;
 - (b) if the Settlor and the Fund are both subscribers to the debt of a particular Portfolio Entity at the same time, then the terms of both issuances shall be the same. Similarly, in the event of exit/ prepayment of the debt of the Settlor by the Portfolio Entity, the Fund shall also be provided exit/ prepayment in respect of its debt to the Portfolio Entity provided that the exit / pre-payment is initiated by the Settlor; and
 - (c) Debt from the Fund to a particular Portfolio Entity shall not be utilised to substitute, prepay any debt of the Portfolio Entity from the Settlor or other funds managed by the Investment Manager.]

B. Pre-disbursement Conditions

1. Apart from the initial Drawdown, if any, Capital Contribution to the Fund shall be made by the Contributor on pro-rata basis along with other Contributors based on the Drawdown Notice given by the Investment Manager after approval for the investment is accorded by the Investment Committee. The rationale behind Drawdown together with minutes / resolution of the Investment Committee, name of Portfolio Company, amount to be disbursed, any other expenses, disbursement effected by other Contributors etc., should be enclosed along with Drawdown Notice. Contributor's Capital Contribution shall at no point of time exceed 21% of the actual amount disbursed to the Fund.

2. In case of any material changes in the structure, objective or investment strategy of the Fund, the same would be informed to the Contributor and the Contributor's Capital Commitment to the Fund will be subject to review.
3. No change in the shareholding pattern of the Investment Manager leading to change in control (*control as defined under the AIF Regulations*) will be carried out without the prior approval of the Contributor.
4. The Investment Manager shall satisfy the Contributor that the Fund has complied with / taken effective steps for compliance with the terms and conditions stipulated under this Agreement by the Contributor and other Contributors.
5. The drawdown of Capital Commitment from the Contributor, from time to time, would be subject to RBI's approval/ directives, if any, to the Contributor and/or any other regulatory provisions and availability of fund under FFS from Government of India.
6. The Contributor will consider making Capital Contributions only after First Closing of the Fund to the satisfaction of the Contributor.
7. Initial drawdown by the Fund at the time of execution of the Contribution Agreement, if any, shall be restricted up to 10% (ten percent) of the Capital Commitment if such Drawdown is only towards Investment Management Fee and other expenses.

C. Other Conditions

1. The Contributor shall be entitled to privileged access to additional banking business with all Portfolio Entities of the Fund.
2. The Contributor shall have the right to review the operations of the Fund/ Investment Manager periodically so as to ensure actual utilization of its Capital Contribution for investment in Startup units/ventures.
3. Notwithstanding anything contained in Clause 26 of this Agreement, the Contributor shall be allowed to transfer its Units in the Fund to any third party, in case the need arises, at its sole discretion and no fee shall be charged for effecting such transfer.
4. Distribution of net distributable proceeds to the Contributors shall be done within a reasonable period from the date of such decision, in accordance with Clause 10.4 of this Agreement.
5. The Fund will maintain high standards of corporate governance and Investor Reporting to ensure complete transparency and timely information to all its Investors, by maintaining proper books of accounts, documents, and records with

respect to the trust fund to give a true and accurate account of the investments, expenses, earnings, profits, etc.

6. The Fund shall appoint / change statutory Auditors and internal auditors acceptable to the Contributor, who would inter-alia, make periodic disclosures, as may be required by the Contributor.
7. The Fund shall furnish details of investment in Startups regularly till the final Drawdown / end of the Commitment Period.
8. The Investment Manager will take all requisite steps for compliance with various regulatory and statutory requirements and satisfy the Contributor of the same.
9. In future, at any point of time, if the information submitted by the Fund, is found misleading or incorrect in any manner or in the event of any breach in terms and conditions stipulated on this Agreement and the Fund Documents, the Contributor shall intimate the same to the Investment Manager / Trustee. In case, the Investment Manager fails to address the concerns of the Contributor within 30 days, Contributor shall have the right to cancel the commitment to the Fund immediately and Contributor's contribution already made will be returned with effective interest of [●]% p.a.
10. At the time of Final Closing, if the Corpus is substantially less than the projected closing Corpus, the Contributor will have the right to withdraw/ modify its Capital Commitment.
11. Notwithstanding anything contained under Section 9, in the event there is any change in the Applicable Law and/or Government / delay in release of funds under FFS from the Government of India or funds under FFS are not forthcoming from the Government / RBI regulations, due to which the Contributor is restricted from making any further Capital Contributions to the Fund, the Contributor shall not be obliged to make any further Capital Contributions to the Fund and shall have the right to review its Capital Commitments, without being termed as a Defaulting Contributor or incurring any penalty for such action.
12. The Fund shall receive all the statutory / regulatory compliances and / or clearances and completion of documentation formalities at its own cost.
13. Subject to Clause 12 of this Agreement, the termination/winding up of the Fund, under any circumstances, will be subject to the consent of Super Majority of Contributors in accordance with the AIF Regulations.
14. The Fund shall appoint any reputed agency, such as legal firms / chartered accountancy firms, to conduct independent due diligence before entering into this Agreement and will submit a certificate for the following. The cost will be borne by the Investment Manager.

- (a) Examination of all the agreements executed with all other Contributors to clarify:
 - i. That a Contribution Agreement has been signed with all Contributors who have committed in the Fund.
 - ii. There are no special terms and conditions applicable to other Contributors that are more favourable than those applicable to the Contributor subject to the exceptions under the proviso to Clause [●] of this Annexure A of this Agreement.
- (b) Examination of the Investment Manager's balance sheet to ensure that no amount has been paid or agreed to be paid to any Contributor against their Capital Commitment to the Fund.

Further, at the time of Final Closing of the Fund, similar certificate is required to be furnished with this regard to all the Investors of the Fund.

- 15. Subject to Clause 12.6 of this Agreement, the promoters of the Fund / Investment Manager will be fully involved with Fund only and shall not hold any other executive positions till the end of the Term of the Fund.
- 16. The Fund shall ensure to hold half-yearly review meetings of all Portfolio Entities wherein the Contributor will be duly invited.
- 17. The Investment Manager shall issue a letter to the Contributor confirming that all distributions made by the Fund in respect of Capital Commitment in accordance with this Agreement and remitted to the Contributor will not be subject to any tax deduction at source.