

महाराष्ट्र शासन  
GOVERNMENT OF MAHARASHTRA  
ई-सुरक्षित बँक व कोषागार पावती  
e-SECURED BANK & TREASURY RECEIPT (e-SBTR)

Bank/Branch: PNB/PNB HOUSE (62)  
Pmt Txn id : 121020M853307  
Pmt DtTime : 12-10-2020@03:19:35  
ChallanIdNo: 03006172020101250039  
District : 7101/MUMBAI

Stationery No: 18301461005961  
Print DtTime: 13-10-2020@13:41:38  
GRAS GRN : MH005475338202021S  
Office Name : IGR182/BOM1\_MUMBAI CITY 1

StDuty Schm: 0030045501-75/Sale of Other NonJudicial Stamps SoS  
StDuty Amt : R 17,76,219/- (Rs One Seven, Seven Six, Two One Nine only)

RgnFee Schm:  
RgnFee Amt :

Article : 5(h) (A) (iv)/Agreement creation right and having monetary value  
Prop Mvblty: N.A Consideration: R 88,76,09,125/-  
Prop Descr : SHARE SALE, PURCHASE AND, SHAREHOLDERS, AGREEMENTGURGAON, Haryana

Duty Payer: (PAN-AAPCS7981Q) SGS TEKNIKS MANUFACTURING PVT LTD  
Other Party: (PAN-AAICS5745D) SYRMA TECHNOLOGY PVT LTD

Bank official1 Name & Signature

*Meher*



*Jasbir*

Bank official2 Name & Signature

--- --- Space for customer/office use - - - Please write below this line --- ---

This stamp paper forms an integral part of the Share Sale and Purchase and Shareholders' Agreement dated October 23, 2020 executed amongst SGS Teknics Manufacturing Private Limited, Mr. Sanjiv Narayan, Mr. Jasbir Singh Gujral, Mr. Krishna Kumar Pant, Mr. Ranjeet Singh Lonial, Syrma Technology Private Limited, Mr. Sandeep Tandon, Tancom Electronics Private Limited and Mrs. Veena Kumari Tandon.

**SHARE SALE AND PURCHASE AND SHAREHOLDERS' AGREEMENT**

**DATED OCTOBER 23, 2020**

**BY AND AMONGST**

**SGS TEKNIKS MANUFACTURING PRIVATE LIMITED**

**AND**

**MR. SANJIV NARAYAN**

**AND**

**MR. JASBIR SINGH GUJRAL**

**AND**

**MR. KRISHNA KUMAR PANT**

**AND**

**MR. RANJEET SINGH LONIAL**

**AND**

**SYRMA TECHNOLOGY PRIVATE LIMITED**

**AND**

**MR. SANDEEP TANDON**

**AND**

**TANCOM ELECTRONICS PRIVATE LIMITED**

**AND**

**VEENA KUMARI TANDON**

## TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION .....	3
2.	TRANSACTION AND CONSIDERATION.....	16
3.	AUTHORISED REPRESENTATIVE .....	16
4.	CONDITIONS PRECEDENT .....	17
5.	CLOSING AND POST-CLOSING ACTIONS .....	19
6.	REPRESENTATIONS AND WARRANTIES .....	21
7.	PRE-CLOSING COVENANTS .....	22
8.	INDEMNIFICATION.....	25
9.	GOVERNANCE OF THE COMPANY .....	32
10.	RESERVED MATTERS .....	38
11.	GENERAL MEETINGS.....	39
12.	INFORMATION, ACCOUNTING RECORDS, AUDIT, ACCESS AND KEY EXECUTIVES EMPLOYMENT .....	40
13.	RIGHT TO SIGN.....	43
14.	RECAPITALISATION .....	43
15.	PRE-EMPTIVE RIGHTS IN RELATION TO ISSUE OF NEW SECURITIES .....	43
16.	PROPOSED MERGER .....	44
17.	FALL AWAY .....	45
18.	TRANSFERS OF SHARES.....	46
19.	INDEMNITY TO DIRECTORS.....	48
20.	EFFECTIVE DATE AND TERMINATION.....	49
21.	EVENT OF DEFAULT <i>INTER SE</i> THE SGS PROMOTERS.....	50
22.	EVENT OF DEFAULT OF THE COMPANY AND OTHER PARTIES.....	51
23.	COVENANTS.....	52
24.	ENVIRONMENTAL AND SOCIAL ACTION PLAN.....	53
25.	ANTI-CORRUPTION LAWS .....	54
26.	COSTS AND EXPENSES .....	54
27.	CONFIDENTIALITY AND ANNOUNCEMENTS .....	54
28.	NON-COMPETE .....	56
29.	INDEPENDENT RIGHTS .....	59
30.	ASSIGNMENT .....	60
31.	NOTICES.....	60
32.	WHOLE AGREEMENT .....	61
33.	SEVERABILITY.....	61
34.	NO PARTNERSHIP OR AGENCY .....	62
35.	AMENDMENTS AND COUNTERPARTS.....	62

<b>36.</b>	<b>CONSENT TO SPECIFIC PERFORMANCE.....</b>	<b>62</b>
<b>37.</b>	<b>NO WAIVER.....</b>	<b>62</b>
<b>38.</b>	<b>WITHOUT PREJUDICE.....</b>	<b>62</b>
<b>39.</b>	<b>FURTHER ASSURANCE.....</b>	<b>62</b>
<b>40.</b>	<b>DISPUTE RESOLUTION.....</b>	<b>63</b>
	<b>SCHEDULE I: CAPITALISATION TABLES.....</b>	<b>66</b>
	<b>SCHEDULE II: BANK ACCOUNTS AND SALE SHARES.....</b>	<b>67</b>
	<b>SCHEDULE III: CP CONFIRMATION CERTIFICATE.....</b>	<b>68</b>
	<b>SCHEDULE IV: CP SATISFACTION CERTIFICATE.....</b>	<b>70</b>
	<b>SCHEDULE V: RESERVED MATTERS.....</b>	<b>71</b>
	<b>SCHEDULE VI: WARRANTIES.....</b>	<b>74</b>
	<b>SCHEDULE VII: DEED OF ADHERENCE.....</b>	<b>98</b>
	<b>SCHEDULE VIII: MD/ CHAIRMAN APPOINTMENT OF THE COMPANY.....</b>	<b>101</b>
	<b>SCHEDULE IX: DETAILS OF POWER OF ATTORNEY.....</b>	<b>102</b>
	<b>SCHEDULE X: POST-CLOSING ACTIONS.....</b>	<b>103</b>
	<b>SCHEDULE XI: SPECIFIC INDEMNITY ITEMS.....</b>	<b>106</b>
	<b>SCHEDULE XII: SELLERS CPS.....</b>	<b>107</b>
	<b>SCHEDULE XIII: ANNUAL BUSINESS PLAN.....</b>	<b>108</b>
	<b>SCHEDULE XIV: ESA PLAN.....</b>	<b>110</b>
	<b>SCHEDULE XV: COVENANTS.....</b>	<b>129</b>
	<b>SCHEDULE XVI: COST-SHARING ARRANGEMENTS.....</b>	<b>130</b>
	<b>SCHEDULE XVII: SECTION 281 INDEMNIFICATION PROCEDURE.....</b>	<b>131</b>

**THIS SHARE SALE AND PURCHASE AND SHAREHOLDERS' AGREEMENT** ("Agreement") is executed at Mumbai on October 23, 2020 ("Execution Date"):

**BY AND AMONGST:**

1. **SGS TEKNIKS MANUFACTURING PRIVATE LIMITED**, a company incorporated under the laws of India with corporate identification number U31501HR2011PTC044475 and having its registered office at A-3 Infocity, Sector 34, Gurgaon, Haryana 122001 (hereinafter referred to as the "**Company**", which expression shall, unless the context otherwise requires, mean and include its successors and permitted assigns) of the **FIRST PART**;
2. **MR. SANJIV NARAYAN**, an Indian resident, bearing passport number Z5296226 and residing at F-225 A, Sainik, Farm, Lane-W-5B, New Delhi- 110062, (hereinafter referred to as "**SN**", which expression shall, unless the context otherwise requires, mean and include his successors, heirs, executors, administrators and permitted assigns) of the **SECOND PART**;
3. **MR. JASBIR SINGH GUJRAL**, an Indian resident, bearing passport number Z5807868 and residing at K-165, South City-1, Gurugram-122001, Haryana, India (hereinafter referred to as "**JSG**", which expression shall, unless the context otherwise requires, mean and include his successors, heirs, executors, administrators and permitted assigns) of the **THIRD PART**;
4. **MR. KRISHNA KUMAR PANT**, an Indian resident, bearing passport number Z3411164 and residing at J2/36, DLF, Phase-2, Gurugram- 122002, Haryana, India (hereinafter referred to as "**KKP**", which expression shall, unless the context otherwise requires, mean and include his successors, heirs, executors, administrators and permitted assigns) of the **FOURTH PART**;
5. **MR. RANJEET SINGH LONIAL**, an Indian resident, bearing passport number Z5318351 and residing at V32/5 DLF, Phase-3, Gurugram- 122002, Haryana, India (hereinafter referred to as "**RSL**", which expression shall, unless the context otherwise requires, mean and include his successors, heirs, executors, administrators and permitted assigns) of the **FIFTH PART**;
6. **SYRMA TECHNOLOGY PRIVATE LIMITED**, a company incorporated under the laws of India with corporate identification number U30007MH2004PTC148165 having its registered office at Unit No. 601, 6th Floor, Floral Deck Plaza MIDC, Andheri (East) Mumbai – 400093, Maharashtra, India (hereinafter referred to as the "**Syrma**" or "**Purchaser**", which expression shall, unless the context otherwise requires, mean and include its successors and permitted assigns) of the **SIXTH PART**;
7. **MR. SANDEEP TANDON**, an Indian resident, bearing U.S. passport number 486970655 and residing at Tandon Beach House, Plot No.- 35-C/2, CTS No. 1069, TPS-2, Azad Nagar, Juhu Koliwada, Santacruz - West, Mumbai, 400049, Maharashtra, India (hereinafter referred to as "**ST**", which expression shall, unless the context otherwise requires, mean and include his successors, heirs, executors, administrators and permitted assigns) of the **SEVENTH PART**;
8. **TANCOM ELECTRONICS PRIVATE LIMITED**, a company incorporated under the laws of India with corporate identification number U32107MH1988PTC047729, having its registered office at Unit No. 601, 6th Floor, Floral Deck Plaza, MIDC, Andheri (East) Mumbai – 400093, Maharashtra, India, (hereinafter referred to as "**Tancom**" which expression shall, unless the context otherwise requires, mean and include its successors and permitted assigns) of the **EIGHTH PART**; and
9. **VEENA KUMARI TANDON**, an Indian resident, bearing passport number R2726758 and residing at Tandon Beach House, Plot No.- 35-C/2, CTS No. 1069, TPS-2, Azad Nagar, Juhu Koliwada, Santacruz - West, Mumbai, 400049, Maharashtra, India (hereinafter referred to as "**VKT**", which expression shall, unless the context otherwise requires, mean and include his

successors, heirs, executors, administrators and permitted assigns) of the **NINTH PART**.

SN, JSG, KKP and RSL shall hereinafter collectively be referred to as the “**SGS Promoters**” and individually as “**SGS Promoter**”. ST, Tancom and VKT shall hereinafter collectively be referred to as the “**Syrma Promoters**” and individually as “**Syrma Promoter**”. ST and Tancom are referred to as the “**Primary Syrma Promoters**”. The Company, SGS Promoters, Syrma, Syrma Promoters shall hereinafter collectively be referred to as “**Parties**” and individually (including each person/entity forming the SGS Promoters and Syrma Promoters) referred to as a “**Party**”.

#### **BACKGROUND:**

- (A) The Company is a private limited company engaged in the Business (*as defined hereinafter*).
- (B) As of the Execution Date, the authorized share capital of the Company is INR 3,11,00,000 (Indian Rupees Three Crore Eleven Lakhs) divided into 30,10,000 (thirty lakhs ten thousand) Equity Shares (*as defined hereinafter*) and 1,00,000 (one lakh) Preference Shares (*as defined hereinafter*). The Share Capital (*as defined hereinafter*) of the Company constitutes 16,12,785 (sixteen lakh twelve thousand seven hundred and eighty-five) Equity Shares as more particularly set out in Part A of **Schedule I** (*Capitalisation Tables*).
- (C) As of the Execution Date, the Sellers (*as defined hereinafter*) are the legal and beneficial owners of 16,12,785 (sixteen lakh twelve thousand seven hundred and eighty-five) Equity Shares (*as defined hereinafter*), constituting 100% (one hundred percent) of the Share Capital. The Sellers are desirous of selling 3,22,557 (three lakh twenty two thousand five hundred and fifty seven) Equity Shares constituting 20% (twenty percent) in the Share Capital (“**Sale Shares**”) as more particularly set out in Part A of **Schedule II** (*Bank Accounts and Sale Shares*).
- (D) Each of the Promoter Family Sellers has pursuant to a duly executed, notarised and valid power of attorney, as set out in **Schedule IX** (*Details Of Power Of Attorney*), appointed the respective SGS Promoter, as the respective Promoter Family Seller’s attorney to do all acts, deeds and other things to complete the sale and Transfer of such Promoter Family Seller’s respective Sale Shares to the Purchaser.
- (E) The Purchaser has agreed to purchase the Sale Shares from the Sellers for the Sale Consideration (*as defined hereinafter*), in accordance with and subject to the terms and conditions as set out in this Agreement.
- (F) The Parties desire to complete the transactions of sale and purchase of the Sale Shares as contemplated in this Agreement such that upon completion of the said transaction on the Closing Date (*as defined hereinafter*), the Purchaser shall hold the Sale Shares and consequently hold 20% (twenty percent) in the Share Capital, the remaining Share Capital i.e., 80% (eighty percent) shall be held by the SGS Promoters.
- (G) The Parties are desirous of entering into this Agreement in order to record herein the terms and conditions governing the sale and purchase of the Sale Shares and also the terms and conditions on which the SGS Promoters and Syrma would govern their relationship in respect of the management and governance of the Company.

**NOW, THEREFORE**, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the Parties hereto agree as follows:

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1. Definitions.**

In this Agreement, the following terms, to the extent not inconsistent with the context thereof, shall have the meanings assigned to them herein below:

“**Accounting Standards**” means the accounting principles, standards and practices as are applicable to the Company that are mandatory for the Company to follow under Applicable Laws;

“**Accounts Date**” means 31 March 2020;

“**Act**” means the Companies Act, 2013, as the context may require, or any statutory modification or amendment thereto, or re-enactment thereof, for the time being in force;

“**Additional Securities**” shall have the meaning assigned to it in Clause 15.1 of this Agreement;

“**Affiliate**” means and includes, in respect of a Person (“**Specific Person**”), any Person:

- (i) who, is Controlling, is Controlled by, or is under the common Control of, the Specific Person; or
- (ii) in case of a person who is a natural person, any Relative of such person,

provided that, without prejudice to the generality of the foregoing, where the Specific Person is a SGS Promoter, the term Affiliate, shall be deemed to include the members of the Promoter Family of such SGS Promoter;

“**Aggregate Threshold Amount**” shall have the meaning assigned to it in Clause 8.5.1 of this Agreement;

“**Anti-Bribery Law**” means any applicable Indian laws that relates to bribery or corruption, including (without limitation), the Prevention of Corruption Act, 1988, as amended, re-enacted or replaced from time to time;

“**Anti-Corruption Laws**” means all laws, rules, regulations and policies and procedures concerning or relating to bribery, corruption or money laundering, including without limitation the Prevention of Corruption Act, 1988, the US Foreign Corrupt Practices Act 1977, the UK Bribery Act 2010 and other similar legislations in any applicable jurisdiction;

“**Annual Business Plan**” means the business plan and financial projections of the Company for a period of 5 (five) Financial Years beginning from the Financial Year 2020 – 21 as set out in **Schedule XIII** (*Annual Business Plan*) of this Agreement;

“**Applicable Law(s)**” means all applicable provisions, and as the context may require, of (i) constitutions, treaties, laws (including common law), statutes, rules, regulations, ordinances or

orders of any Governmental Authority; (ii) Approvals; and (iii) orders, decisions, injunctions, judgments, awards, decrees of or agreements with any Governmental Authority;

“**Approvals**” means any permission, approval, consent, license, order, decree, authorization, authentication of, or registration, qualification, declaration or filing with or notification, exemption or ruling to or from any Governmental Authority required under any statute or regulation of the jurisdiction as applicable to the relevant Party;

“**Articles**” means the articles of association of the Company as amended from time to time;

“**As Converted Basis**” means the equity shareholding ownership in the Company at the relevant point in time as calculated after taking into account all the issued and outstanding Equity Shares, convertible preference shares, and all outstanding options, warrants, convertible debentures, employee stock options, if any, from time to time and all other Securities of the Company (other than commitments as given to the lenders of the Company with respect to Indebtedness) as if all such options, warrants, convertible debentures and all other outstanding Securities were converted to Equity Shares at that point in time (in accordance with the terms thereof) and such calculation shall take into consideration all share splits, bonus issuances, etc., if any;

“**Assets**” means any assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as now operated, hired, rented, owned or leased by a Person, including cash, cash equivalents, receivables, Securities, accounts and notes receivable, land including developments / buildings over the same, plant and machinery, equipment, Intellectual Property, raw materials, inventory, finished goods, furniture, fixtures and insurance;

“**Authorised Representative**” shall have the meaning assigned to it in Clause 3.3 of the Agreement;

“**Board**” or “**Board of Directors**” means the board of directors of the Company;

“**Business**” means the business of electronic design and manufacturing services;

“**Business Day**” means a day other than a Saturday, Sunday or public holiday in New Delhi, Gurgaon, Chennai, Mumbai and the United States of America;

“**Business Warranties**” means the representations and warranties as demarcated in **Schedule VI (Warranties)** of this Agreement being limited to the ones specifically numbered in serial number C, paragraphs 9 to 26;

“**CP Target Date**” shall have the meaning assigned to it in Clause 4.3 of this Agreement;

“**Call Option Securities**” shall have the meaning assigned to it in Clause 16.3 of this Agreement;

“**Charter Documents**” means collectively the memorandum of association of the Company and the Articles;

“**Claim Period**” shall have the meaning assigned to it in Clause 8.6.1 of this Agreement;



“**Closing**” shall have the meaning assigned to it in Clause 5.1 of this Agreement;

“**Closing Date**” shall have the meaning assigned to it in Clause 5.1 of this Agreement;

“**Confidential Information**” shall have the meaning assigned to it in Clause 27.1.1 of this Agreement;

“**Contract**” means any agreements, contracts, instruments, obligations, offers, legally binding commitments, arrangements and understandings, (whether written or oral) including all loan agreements, indentures, letters of credit (including related letter of credit applications and reimbursement obligations), mortgages, security agreements, pledge agreements, deeds of trust, bonds, notes, guarantees, surety obligations, warranties, licenses, franchises, permits, powers of attorney, purchase orders, leases, including any amendment variation, termination or extension under or in respect of any of the foregoing;

“**Control**” together with its grammatical variations, when used with respect to any Person, means and includes (i) the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of more than 50% (fifty percent) of the vote carrying securities or other legal interest, by contract or otherwise howsoever; or (ii) the ability to direct the casting of more than 50% (fifty percent) of the votes exercisable at general meetings of a Person on all, or substantially all, matters; or (iii) the ability to control the composition or the decisions of the board of directors or its supervisory or governing body by controlling the appointment of a majority of the directors on the board of directors or majority of the members of its supervisory or governing body;

“**De Minimis Threshold**” shall have the meaning assigned to it in Clause 8.5.1 of this Agreement;

“**Defaulting SGS Promoter**” shall have the meaning assigned to it in Clause 21.2 of this Agreement;

“**Default Notice**” shall have the meaning assigned to it in Clause 21.2 of this Agreement;

“**Default Termination Notice**” shall have the meaning assigned to it in Clause 21.2 of this Agreement;

“**Director**” means a director on the Board;

“**Disclosure Letter**” means the disclosure letter containing disclosures in regard to the Warranties as provided by the Warrantors to the Purchaser and acknowledged by the Purchaser, dated as of the Execution Date or any updates thereto provided by the Warrantors to the Purchaser in accordance with Clause 6.5 of this Agreement;

“**Dispute**” shall have the meaning assigned to it in Clause 40.2 of this Agreement;

“**ESA Laws**” means all Applicable Laws and Approvals from Governmental Authorities setting standards / measures concerning environmental, social, labour, health and safety or security risks, including of the type specified under the ESA Plan or imposing liability for the breach thereof;

“**ESA Plan**” shall mean the plan implemented by the Company (a) in a form and manner

mutually agreed to between Syrma and the SGS Promoters and attached as **Schedule XIV** (*ESA Plan*) hereto; (b) which sets out the specific environmental, social, labour, health and safety or security measures to be undertaken by the Company; (c) to enable the Business of the Company to be equipped, operated and undertaken in compliance with the performance standards under the applicable ESA Laws; and (d) which may be revised, from time to time, in accordance with Clause 24;

“**Effective Date**” means the Closing Date;

“**Encumbrance**” means a mortgage, charge (whether fixed or floating), pledge, hypothecation, assignment, deed of trust, title retention, lock-in, right of first offer, non-disposal undertaking, other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person or otherwise, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, any proxy, power of attorney, voting trust agreement, call right, put right, tag along right, drag along right or any other transfer restriction in favour of any Person, any adverse claim as to title, possession or use, lien, option, restriction, right of first refusal, right of pre-emption, Third Party right or interest, other encumbrance or security interest of any kind, or another type of agreement or arrangement having similar effect and “**Encumber**” shall be construed accordingly;

“**Environmental Law**” means any common or statutory law, regulation, directive or other law and all statutory codes of practice, statutory guidance and the like relating to the environment, pollution of the environment, health or safety or the welfare of any living organism which applies to the company concerned, its premises or its activities;

“**Equity Shares**” means the equity shares of the Company whether issued or to be issued, having par value of INR 10 (Rupees Ten) per equity share;

“**Exercise Notice**” shall have the meaning assigned to it in Clause 18.3 of this Agreement;

“**Existing Shareholders’ Agreement**” means the shareholders agreements dated July 22, 2017 executed amongst the SGS Promoters and the Company;

“**Factory Leased Property**” means each of the following property leased by the Company:

- (i) Plant of the Company situated at Survey no. 27/4, A2, Jigani Link Road, Bommasandra Industrial Area Phase-4, Bangalore – 560099; and
- (ii) Plant of the Company situated at Plot No. 211, Jigani - Bommasandra Link Road, Industrial Area, Jigani, Bangalore – 560106.

“**Factory Owned Property**” means each of the following properties (in the case of items (i) to (iii) below owned by the Company, and in the case of item (iv) below owned by the Company’s Subsidiary):

- (i) Plant of the Company situated at Plot No. 88 HPSIDC Industrial Area, Baddi- 173205, District Solan, Himachal Pradesh;
- (ii) Plant of the Company situated at Plot no. 89, HPSIDC Industrial Area, Baddi- 173205, District Solan, Himachal Pradesh; and

- (iii) Plant of the Company situated at A-3, Infocity, Sector 33 & 34, Gurgaon- 122001, Haryana;
- (iv) Plant of the Company situated at Plot No. 174, Sector 4, IMT Manesar, Gurgaon - 122050, Haryana.

“**Financial Year**” means the period commencing on April of 1 each calendar year and ending on March 31 of the succeeding calendar year;

“**Framework Agreement**” means the framework agreement executed on the even date amongst the Parties and GEF;

“**GAAP**” means generally accepted accounting principles in India as applicable from time to time;

“**GEF**” or “**Investor**” means (a) South Asia Growth Fund II Holdings LLC, a limited liability company incorporated in the United States of America with its registered office at 4800 Montgomery Lane, Suite 450, Bethesda, Maryland, United States of America – 20814; and (b) South Asia EBT Trust, a trust established under the laws of India, with its office at 5, Kamu Villa, Khotwadi, Sir Phiroz Shah Mehta Road Santacruz West, Mumbai – 400054, Maharashtra, India, and through its trustee being Orbis Capital Limited, with its registered office at 4A, Ocus Technopolis, Golf Club Road, Sector 54, Gurugram – 122002, Haryana, India, which expression shall, unless the context otherwise requires, mean and include its successors and permitted assigns thereof;

“**Government**” or “**Governmental Authority**” means any governmental, political, legislative, executive, public international organization or supranational body (including, without limitation, the European Union) and its institutions, departments, agencies and instrumentalities, or administrative body, municipality or any local or other authority, regulatory authority, court, tribunal or arbitral tribunal, exercising powers conferred by Applicable Law in India or any other applicable jurisdiction (including the jurisdictions in which the Company carries on any business or activities);

“**INR**” or “**Rupees**” or “**Rs.**” means Indian rupees, being the lawful currency of India;

“**Indebtedness**” as applied to any Person, means, without duplication: (a) all indebtedness for borrowed money; (b) all obligations evidenced by a note, bond, debenture, letter of credit, draft or similar instrument; (c) that portion of obligations with respect to capital leases that is properly classified as a liability on a balance sheet in conformity with GAAP; (d) notes payable and drafts accepted representing extensions of credit; (e) any obligation owed for all or any part of a deferred purchase price of or payment for property or services; (f) all guarantees of any nature extended by such Person with respect to indebtedness of any other Person; and (g) all indebtedness and obligations of the types described in the foregoing paragraphs (a) through (f) to the extent secured by any Encumbrance on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person;

“**Indemnification Claim**” shall have the meaning assigned to it in Clause 8.4.8 of this Agreement;

“**Indemnification Event**” shall have the meaning assigned to it in Clause 8.3 of this Agreement;

“**Indemnifying Party(ies)**” shall have the meaning assigned to it in Clause 8.3 of this Agreement;

“**Indemnity Notice**” shall have the meaning assigned to it in Clause 8.4.1 of this Agreement;

“**IP Rights**” or “**Intellectual Property**” means all rights in and in relation to all intellectual property rights subsisting in the products of the Company and the products developed by the Company including all patents, patent applications, moral rights, trademarks, trade names, service marks, service names, brand names, internet domain names and sub-domains, inventions, processes, formulae, copyrights, business and product names, logos, slogans, trade secrets, industrial models, processes, designs, database rights, methodologies, computer programs (including all source codes), business and company names (including the name of the Company); rights in software used in the Business; business methods, data and documentation, and client details and billing; concepts, ideas, and all tangible embodiments of any of the foregoing (in any medium, including electronic media), in each case as may be improved, updated or upgraded from time to time; technical information, manufacturing, engineering and technical drawings, know-how, all pending applications for and registrations of patents, entity models and all other intellectual property or similar proprietary rights of whatever nature (whether registered or not and including applications to register or rights to apply for registration) in each case anywhere in the world; rights under licenses, consents, orders, statutes or otherwise in relation to a right in relation to any of the above; the right to sue or defend for past infringements of any of the foregoing rights; the goodwill associated with the aforementioned IP Rights;

“**Key Managerial Personnel**” shall have the meaning given to it as per section 2 (51) of the Act and shall refer to such personnel as may be appointed by the Company, from time to time, to such positions, in each case, by whatever title or equivalent title so given from time to time;

“**Litigation**” includes any action, claim, demand, suit, proceeding, citation, summons, subpoena, inquiry or investigation of any nature, civil, criminal, regulatory or otherwise, in law or in equity, pending by or before any court, tribunal, arbitrator or other Governmental Authority;

“**Long Stop Date**” means a date which is not later than 55 (fifty five) Business Days from the Execution Date or such other date as may be mutually agreed, in writing, between the Parties;

“**Loss**” means any direct losses, liabilities, claims, damages, demands, fines, costs and expenses, including those paid or suffered pursuant to any actions, proceedings, demands, claims, judgements, awards and including interests and penalties with respect thereto and out of pocket expenses including reasonable attorneys’ and accountants’ fees and disbursements;

“**Material Adverse Effect**” means material adverse effect on the:

- (a) business, operations, property, or financial condition of the Company provided that the impact, if any, of Covid-19 shall not be taken into account for this purpose; or
- (b) ability of the Company to perform its material obligations under the Transaction Documents or the ability of the Sellers to perform the transaction in relation to the sale of the Sale Shares as contemplated under this Agreement;

“**Merged Entity**” shall have the meaning assigned to in Clause 8.9 of this Agreement;

“**Non-De Minimis Claim**” shall have the meaning assigned to it in Clause 8.5.1 of this Agreement;

“**Non-Merger Buy Back**” shall have the meaning assigned to it in Clause 16.2 of this Agreement;

“**Non-Merger Put Buy Back Price**” shall have the meaning assigned to it in Clause 16.2 of this Agreement;

“**Non-Merger Buy Back Timeline**” shall have the meaning assigned to it in Clause 16.2 of this Agreement;

“**Non-Merger Call Option Right**” shall have the meaning assigned to it in Clause 16.3 of this Agreement;

“**Non-Merger Call Option Price**” shall have the meaning assigned to it in Clause 16.3 of this Agreement;

“**Offer**” shall have the meaning assigned to it in Clause 18.3 of this Agreement;

“**Offer Period**” shall have the meaning assigned to it in Clause 18.3 of this Agreement;

“**Offer Price**” shall have the meaning assigned to it in Clause 18.3 of this Agreement;

“**Offered Securities**” shall have the meaning assigned to it in Clause 18.3 of this Agreement;

“**Ordinary Course of Business**” means any actions taken by or on behalf of a Person: (a) that are recurring in nature and are taken in the ordinary course of such Person’s normal day-to-day operations; and (b) that are consistent with past practices and existing policies adopted by such Person and in each case at all times in compliance with Applicable Laws;

“**Other Fundamental Warranties**” means the representations and warranties as demarcated in **Schedule VI** (*Warranties*) of this Agreement being limited to the ones specifically numbered in serial number B, paragraphs 2 to 8;

“**PCA**” shall mean the Prevention of Corruption Act, 1988;

“**Participating Shareholders**” shall have the meaning assigned to it in Clause 15.2 of this Agreement;

“**Person**” means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, Government/Governmental Authority or any other entity that may be treated as a person under Applicable Law;

“**Planning and Zoning Legislation**” means all legislation intended to control or regulate the construction, demolition, alteration or use of land or buildings and any orders, by-laws or regulations made or granted under any of them;

**“Promoter Family”** means with respect to each SGS Promoter the following respective relations/bodies: (i) spouse; (ii) son; (iii) daughter; (iv) daughter-in-law; (v) son-in-law; (vi) respective children of son and daughter; (vii) a private trust where the spouse of that SGS Promoter is a beneficiary; and (viii) a society established for charitable purposes and registered under Section 12AA of the Income-tax Act, 1961, provided that SGS Promoter is a member of the governing council/management committee of such society;

**“Promoter Family Seller”** shall mean the individual belonging to each of the SGS Promoter Family (not being the SGS Promoter himself), named in Part A of Schedule II (*Bank Accounts and Sale Shares*) holding Equity Shares in the Company which constitute part of the Sale Shares;

**“Promoter Family Sellers”** shall mean collectively the Promoter Family Seller of the SGS Promoters;

**“Promoter Family Seller Fundamental Warranties”** means the representations and warranties given by each of the Promoter Family Sellers under the Promoter Family Sellers Warranties Letter;

**“Promoter Family Warranties Letter/s”** means letters dated as of the Execution Date pursuant to which each of the Promoter Family Sellers has given warranties similar to the SGS Promoter Fundamental Warranties with respect to the relevant Sale Shares and for themselves;

**“Promoters Reserved Matter”** shall mean any of the matters specified in Part B of Schedule V (*Reserved Matters*);

**“Proposed Merger”** shall mean the merger of SGS into Syrma in terms of the Scheme of Amalgamation;

**“Purchaser’s CPs”** shall have the meaning assigned to it in Clause 4.2 of this Agreement;

**“Purchaser CP Confirmation Certificate”** shall have the meaning assigned to it in Clause 4.4 of this Agreement;

**“Purchaser CP Satisfaction Certificate”** shall have the meaning assigned to it in Clause 4.5 of this Agreement;

**“Purchaser Warranties”** means the representations and warranties provided by the Purchaser as set forth in Clause 6.4;

**“Recapitalisation Event”** shall have the meaning assigned to it in Clause 14 of this Agreement;

**“Receiving Party”** shall have the meaning assigned to it in Clause 28.1 of this Agreement;

**“Related Party”** shall have the meaning ascribed to such term in the Act and shall also mean the following persons in relation to the Company and/ or the SGS Promoters:

- (a) a trust in which the Company, SGS Promoters or any Affiliate of the SGS Promoters, is either a trustee or beneficiary, and the trustees and beneficiaries of any such trust;
- (b) any of the SGS Promoters or any Affiliate of the SGS Promoters;

- (c) any director of any holding or subsidiary company of any of the SGS Promoters or any Affiliate of the SGS Promoters;
- (d) any Affiliate of the Company or, the directors of such Affiliates;
- (e) any company, the board of directors, managing director or manager whereof, acts or is accustomed to act in accordance with the directions or instructions of the SGS Promoters or their Affiliates;
- (f) any firm or company in which the Company or the SGS Promoter, the directors of the Company, or their Affiliates or their Relatives, has any shareholding exceeding 26% (twenty six per cent.), or partnership interest or management control (together “**Interested Entity**”) or firm or company in which a partner or director of an Interested Entity or a Relative of a SGS Promoter, has any shareholding exceeding 26% (twenty six per cent.), or partnership interest or management control;

“**Relative**” shall have the meaning ascribed to such term in the Act;

“**Remaining Recipients**” shall have the meaning assigned to it in Clause 18.3 of this Agreement;

“**Remaining Securities**” shall have the meaning assigned to it in Clause 18.3 of this Agreement;

“**Restated Articles**” means mean the amended and restated Articles, in an agreed form, amended to reflect the provisions of this Agreement;

“**Request**” shall have the meaning assigned to it in Clause 40.2 of this Agreement;

“**SGS Promoter Fundamental Warranties**” means the representations and warranties as demarcated in Schedule VI (*Warranties*) of this Agreement being limited to the ones specifically numbered in serial number A, paragraph 1;

“**Sale Consideration**” means INR 88,74,09,423.80 (Indian Rupees Eighty Eight Crores Seventy Four Lakhs Nine Thousand Four Hundred and Twenty Three point eighty paise only);

“**Sale Shares**” shall have the meaning attributed to it in Recital C and elaborated in Part A of Schedule II (*Bank Accounts and Sale Shares*) of this Agreement;

“**Second Issue Offer Notice**” shall have the meaning assigned to it in Clause 15.2 of this Agreement;

“**Scheme of Amalgamation**” shall mean the scheme, in agreed form, to implement and effectuate the Proposed Merger;

“**Securities**” means all classes of shares / securities in the share capital of the Company whether convertible or not, including, without limitation, the Equity Shares, and any options, warrants or other securities issued from time to time, together with all rights, differential rights, obligations, title, interest and claim in such shares (including debt instruments) which are convertible into or entitle the holder to acquire or receive any Equity Shares, or preference

shares or any options to purchase rights or subscribe to securities which by their terms, are convertible into, or exchangeable for, Equity Shares or preference shares, and includes the impact of any anti-dilution rights granted to any Shareholder of the Company and shall be deemed to include all bonus shares issued in respect of such shares and shares issued pursuant to a stock split in respect of such shares and any rights, appreciation rights or instruments thereto;

“**Seller**” shall mean each of the SGS Promoters and Promoter Family Sellers holding Equity Shares in the Company which constitute the Sale Shares, details of which are listed in **Schedule II** (*Bank Accounts and Sale Shares*) “**Sellers**” shall mean the SGS Promoters and the Promoter Family Sellers together holding Equity Shares in the Company which constitute the Sale Shares;

“**Selling Shareholder**” shall have the meaning assigned to it in Clause 18.3 of this Agreement;

“**Sellers Bank Accounts**” means the bank account details of each of the Sellers as set forth in **Schedule II** (*Bank Accounts and Sale Shares*) of this Agreement;

“**Sellers CP Confirmation Certificate**” shall have the meaning assigned to it in Clause 4.3 of this Agreement;

“**Sellers CP Satisfaction Certificate**” shall have the meaning assigned to it in Clause 4.5 of this Agreement;

“**Sellers CPs**” shall have the meaning assigned to it in Clause 4.1 of this Agreement;

“**Seller Fundamental Warranties**” means the SGS Promoter Fundamental Warranties and the Promoter Family Seller Fundamental Warranties;

“**SGS Director(s)**” means the Director(s) nominated by each of the SGS Promoters;

“**SGS Promoter Family**” means a SGS Promoter and his Promoter Family;

“**SGS Recipient**” shall have the meaning assigned to it in Clause 18.3 of this Agreement;

“**Shareholders**” means the holders on the record of any Securities, from time to time, of the Company;

“**Share Capital**” means the total issued, subscribed and paid up share capital of the Company and, where applicable, on As Converted Basis;

“**Subsidiary**” with respect to any Person shall have the meaning ascribed to the term under the Act including SGS Solutions GmbH and SGS Infosystems Private Limited;

“**Syrma Business**” means the business of contract manufacturing printed circuit boards, radio frequency identification tags, high performance magnets, transformers, DC motors, disk drives, fibre optic assemblies, memory modules, power supplies / adapters and a wide range of specialized components and shall also include the Business;

“**Syrma Director**” means a Director nominated for appointment by Syrma on the Board, from time to time, in accordance with the terms and conditions of this Agreement;



“**Syrma Post Merger SHA**” means the shareholders’ agreement executed on the even date amongst the Syrma Promoters, Syrma, GEF, the Company and the SGS Promoters to govern their *inter se* rights and obligations in Syrma upon completion and coming into effect of the Proposed Merger in terms of the Scheme of Amalgamation;

“**Syrma Reserved Matter**” shall mean any of the matters with respect to the Company and its Subsidiaries specified in Part A of **Schedule V** (*Reserved Matters*) (and it is clarified that for the purposes of the Agreement, the term “Syrma Reserved Matters” apply equally to the Company’s Subsidiaries as if in place of the term “Company” the term “Company’s Subsidiaries” was mentioned);

“**Syrma SHA**” means the shareholders’ agreement executed on the even date amongst the Syrma Promoters, Syrma and GEF;

“**Syrma SSA**” means the share subscription agreement executed on the even date amongst the Syrma Promoters, Syrma and GEF;

“**Tax**”, “**Taxes** or “**Taxation**” means any applicable direct or indirect taxes, goods and services tax, social security charges, surcharges, levies, customs and other duties, required to be paid, withheld, deducted or collected, including any income taxes, capital gains taxes, property taxes, stamp duties, employee withholding taxes, social security and pension contributions, environmental taxes or other governmental charges or duties, and any interest, penalties, fines or other additions thereto under the Applicable Law;

“**Tax Act**” means the Indian Income-tax Act, 1961 (as may be as amended or re-enacted);

“**Tax Authority**” means the relevant authority under the Tax Act or under Applicable Laws on Taxes;

“**Third Party**” means any Person other than the Parties to this Agreement;

“**Third Party Claim**” shall have the meaning assigned to it in Clause 8.4.4 of this Agreement;

“**Third Party Claim Notice**” shall have the meaning assigned to it in Clause 8.4.4 of this Agreement;

“**Transaction Documents**” means this Agreement, Syrma SHA, Syrma SSA, Framework Agreement, the Scheme of Amalgamation and the Syrma Post Merger SHA, the Disclosure Letter and the updated Disclosure Letter, and other agreements and documents required to be executed or delivered pursuant to the Transaction Documents;

“**Transfer**” means whether directly or indirectly, any transfer, including any sale, lease, assignment, creation of Encumbrance, placing in trust (voting or otherwise), exchange, gift or transfer by operation of law or in any other way, whether or not voluntarily. Correlative terms such as “transferred”, “transferring” and “transferability” shall be construed in accordance with this definition;

“**Warranties**” means, collectively, the Business Warranties, Other Fundamental Warranties and Seller Fundamental Warranties;

“**Warrantors**” means (i) each SGS Promoter (on a several basis) on behalf of himself with

respect to the SGS Promoter Fundamental Warranties and on behalf of the Promoter Family Seller belonging to the Promoter Family of such SGS Promoter with respect to Promoter Family Seller Fundamental Warranties of such Promoter Family Seller; and (ii) each SGS Promoter and the Company, on a joint and several basis, for Other Fundamental Warranties and Business Warranties; and

“**Working Hours**” shall have the meaning assigned to it in Clause 31.2 of this Agreement.

## 1.2. **Interpretation.**

Except where the context requires otherwise, this Agreement will be interpreted as follows:

- 1.2.1. In the absence of a definition being provided for a term, word or phrase used in this Agreement, no meaning shall be assigned to such term, word, phrase which derogates or detracts from, in any way, the intent of this Agreement.
- 1.2.2. A document in the “agreed form” is a reference to a document in a form substantially approved by or on behalf of the SGS Promoters, Company and the Purchaser.
- 1.2.3. Headings are for convenience only and do not affect the interpretation of this Agreement.
- 1.2.4. Words denoting the singular include the plural and *vice-versa*.
- 1.2.5. Words denoting one gender only shall include the other genders including the ‘neuter’ gender.
- 1.2.6. All references in this Agreement to Clauses and Schedules shall be construed as references respectively to the Clauses and Schedules of this Agreement or the relevant Schedules in this Agreement.
- 1.2.7. The recitals contained herein shall constitute an integral operative part of this Agreement.
- 1.2.8. The terms “herein”, “hereof”, “hereto”, “hereunder” and words of a similar purport refer to this Agreement as a whole.
- 1.2.9. In the computation of periods of time from a specified date to a later specified date, the words “from” and “commencing on” mean “from and including” and “commencing on and including”, respectively, and the words “to”, “until” and “ending on” each mean “to but not including”, “until but not including” and “ending on but not including” respectively.
- 1.2.10. The words “including” should be construed as “including without limitation”.
- 1.2.11. Any reference to “writing” or “written” includes e-mails and any copies in a permanent and tangible form but shall not include text messages (short message service) or other contemporary forms of distance communications using electronic means. Any reference to ‘consent’ or ‘approval’ or ‘dissent’ shall be interpreted to mean a consent, approval, dissent (as the case may be) in writing.

- 1.2.12. Any Person includes that Person's legal heirs, successors, successors-in-interest, liquidators, executors, administrators and permitted assigns, as the case may be.
- 1.2.13. The words "directly or indirectly" mean directly or indirectly through one or more Affiliates, associate companies, Relatives or other intermediary Persons and "direct or indirect" shall have the correlative meanings.
- 1.2.14. In computing the shareholding of any Party, including for determining the rights and privileges available to such Party under this Agreement, the shares/Securities held by its Affiliates shall be considered as being held by such Party.
- 1.2.15. A reference to this Agreement, or any other agreement, deed, document, schedule or annexure is a reference to the Agreement or such other agreement, deed, document, schedule or annexure as amended, varied, novated, supplemented, restated or replaced from time to time (other than in breach of the provisions of this Agreement).
- 1.2.16. Any statement in this Agreement which is qualified by the expression "to the knowledge" or "to the best of the knowledge or information or belief" or any similar expression, that statement shall, save as expressly provided to the contrary herein be deemed to mean that it has been made after due and careful enquiry by that Person.
- 1.2.17. Notwithstanding anything contained under this Agreement to the contrary, wherever covenants, undertakings, obligations, liabilities and/or duties of the Primary Syrma Promoters are referred to under this Agreement, no such covenants, undertakings, obligations, liabilities and/or duties are imposed or created on VKT, the Relatives, family members, descendants and legal heirs of ST and VKT, whether by operation of law or otherwise.
- 1.2.18. Except as expressly provided in this Agreement, wherever covenants, undertakings, obligations, liabilities and/or duties of the SGS Promoters are referred to under this Agreement, no such covenants, undertakings, obligations, liabilities and/or duties are imposed or created on the Relatives, family members, descendants and legal heirs of SGS Promoters, whether by operation of law or otherwise.
- 1.2.19. references to capitalised words and expressions used in this Agreement but not defined herein shall have the meaning ascribed to it under the other Transaction Documents, as the context may require.
- 1.2.20. The term 'consent' wherever used in this Agreement means any consent, approval, authorization, waiver, permit, grant, franchise, license, certificate, exemption, permission, order, registration, declaration, filing, report or notice of, with, to, from or by any Person, including any third party consents, not limited to lender consents, in each case, evidenced in writing.

**1.3. Changes in Applicable Laws.**

Except as provided in Clause 8.5.6, references in this Agreement to any law or statute includes a reference to that law or statute as amended, replaced, supplemented or re-enacted, both before and at any time after the execution of this Agreement.

1.4. **Obligation to Procure or Cause.**

An obligation for a Party to “procure” or “cause” or “ensure” that something shall be done shall be construed as an obligation on the part of each such Party to take all necessary steps within his/ her/ its control to do or cause that thing to be done by exercising all rights and powers available to him / her / it, and all correlative terms shall be construed as above.

1.5. **Obligation of the Parties.**

Subject to the terms, conditions and limitations herein provided, the Parties agree to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under all Applicable Laws to carry out and make effective the provisions of this Agreement.

1.6. **Drafting of this Agreement.**

This Agreement is the result of negotiations between the Parties and has been reviewed by the Parties and their respective advisors. Accordingly, this Agreement shall be deemed to be the product of the Parties, and there shall be no presumption that an ambiguity should be construed in favour of or against any Party solely as a result of such Party’s actual or purported role in the drafting of this Agreement.

**2. TRANSACTION AND CONSIDERATION**

2.1 Subject to the terms of this Agreement and based on the Warranties and the Promoter Family Warranties Letter, the Purchaser hereby agrees to purchase and the SGS Promoters hereby agree to sell the relevant Sale Shares and shall cause the Promoter Family Members to sell the relevant Sale Shares, free from any Encumbrances, together with all the beneficial and legal rights and interests attached to the Sale Shares such that Syrma shall be the sole owner of the Sale Shares with effect from the Closing Date.

2.2 In consideration of the sale and Transfer of the Sale Shares, the Purchaser shall pay the Sale Consideration to the Sellers on the Closing Date, in each case in the proportion set out in **Schedule II** (*Bank Accounts and Sale Shares*) of this Agreement.

2.3 Each of the Parties shall take all reasonable actions within its/his/her powers and otherwise use its/his/her reasonable endeavors to consummate the Transfer of Sale Shares contemplated by this Agreement in accordance with the timing set out herein and otherwise as promptly as practicable.

2.4 The SGS Promoters (on behalf of themselves and their respective Promoter Family) hereby waive any and all pre-emption rights and any other similar rights, if any, that the SGS Promoters (and their respective Promoter Family) may have pursuant to the Existing Shareholders’ Agreement and Articles relating to the Sale Shares, so as to enable the sale and Transfer of the Sale Shares to the Purchaser on the Closing Date.

**3. AUTHORISED REPRESENTATIVE**

3.1 For the purpose of Clauses 4 (*Conditions Precedent*) to 7 (*Pre-Closing Covenants*):

- (a) The SGS Promoters shall undertake and agree that in case any differences / conflicts arise amongst the SGS Promoters in relation to exercise of their respective rights and obligations under Clauses 4 to 7 of this Agreement, then such differences / conflicts shall be settled by them in a manner such that a uniform collective decision is provided by the SGS Promoters to the Company and/or the Purchaser (as the case may be) and conflicting decisions are not provided by various members of the SGS Promoters to the Company and/or the Purchaser.
  - (b) Each of the SGS Promoters hereby covenants and undertakes that all decisions and/or consents required to be provided by the SGS Promoters under Clauses 4 to 7 of this Agreement in respect of any right, action or waiver to be exercised by the SGS Promoters shall be collectively decided by the SGS Promoters and shall be communicated to the Purchaser and/or the Company (as the case may be), in writing, through the Authorised Representative. The SGS Promoters agree and acknowledge that such decision communicated to the Purchaser and/or the Company (as the case may be) through the Authorised Representative shall be binding on each of the SGS Promoters. It is specifically clarified that if no decision is communicated by the Authorised Representative on any relevant matter under Clauses 4 to 7 of this Agreement (within the prescribed timeline, or mutually extended timelines or otherwise), then the SGS Promoters shall be deemed to have rejected such matter.
- 3.2 Each of the SGS Promoters agrees and acknowledges that the Authorised Representative is entitled to receive all notices and information under Clauses 4 to 7 of this Agreement from the Company, the Purchaser and the Syrma Promoters, on each of their behalf. Further, each of the SGS Promoters agrees and acknowledges that any notice and/or information provided by the Company, the Syrma Promoters and/or Purchaser under Clauses 4 to 7 of this Agreement to the Authorised Representative shall be sufficient and valid discharge of their respective obligations under Clauses 4 to 7 of this Agreement to provide such notice and/or information to the SGS Promoters.
- 3.3 The authorised representative will be JSG (“**Authorised Representative**”) unless otherwise agreed by the SGS Promoters in writing and notified in writing to the Purchaser, the Company and the Syrma Promoters.

#### **4. CONDITIONS PRECEDENT**

##### **4.1. Conditions Precedent to Purchaser’s Obligations.**

The obligation of the Purchaser to purchase the Sale Shares is subject to the fulfilment of the conditions and delivery and execution of the items specified in **Schedule XII** (*Seller CPs*) (“**Sellers CPs**”) by the Company and the SGS Promoters, in form, substance and manner satisfactory to the Purchaser, unless any one or more of the following is specifically waived in writing by the Purchaser.

##### **4.2. Conditions Precedent to Sellers’ Obligations.**

Each of the SGS Promoters shall for and on behalf of the respective Promoter Family Seller sell the relevant Sale Shares to the Purchaser in accordance with the terms and conditions of this Agreement. The obligation of the Sellers to sell the Sale Shares is subject to the fulfilment of the following conditions and delivery and execution of the following items (“**Purchaser’s CPs**”) by the Purchaser, in form, substance and manner satisfactory to the SGS Promoters,

unless any one or more of the following is specifically waived in writing by the SGS Promoters, in their absolute discretion:

- (a) Grant of the following Approvals, consents, and all relevant authorizations by the Purchaser, as may be necessary for the Transfer of the Sale Shares:
    - (i) Syrma shall, have obtained written consents, for the acquisition of the Sale Shares, from the following lenders: (a) State Bank of India; (b) Citibank NA; (c) DBS Bank India Limited; and (d) RBL Bank Limited;
  - (b) Board resolution of Syrma for authorising the acquisition of the Sale Shares;
  - (c) Board resolution of Syrma and Tancom authorising the entering into this Agreement;
  - (d) The Restated Articles (*as defined under the Framework Agreement and not this Agreement*) incorporating the provisions of the Syrma Post Merger SHA, being in an agreed form, and such Restated Articles shall be the Schedule 9 to the Framework Agreement; and
  - (e) The Purchaser shall confirm in writing that the Purchaser Warranties have been true and correct as on the Execution Date and are true and correct as on the Closing Date.
- 4.3. Within 2 (two) Business Days of fulfilment or waiver by the Purchaser, as the case may be, of the Seller CPs, the Company and the SGS Promoters shall collectively provide a written confirmation of the same (the “**Sellers CP Confirmation Certificate**”) to the Purchaser in the form provided in Part A of **Schedule III** (*CP Confirmation Certificate*) of this Agreement at least 15 (fifteen) days prior to the Long Stop Date, unless decided otherwise in writing amongst the Parties (“**CP Target Date**”). The Sellers CP Confirmation Certificate shall be accompanied by documentary proof evidencing completion of the Sellers CPs.
- 4.4. Within 2 (two) Business Days of fulfilment or waiver by the SGS Promoters, as the case may be, of the Purchaser CPs, the Purchaser shall provide a written confirmation of the same (“**Purchaser CP Confirmation Certificate**”) to the SGS Promoters in a form and substance as provided in Part B of **Schedule III** (*CP Confirmation Certificate*) of this Agreement on or before the CP Target Date. The Purchaser CP Confirmation Certificate shall be accompanied by documentary proof evidencing completion of the Purchaser’s CPs.
- 4.5. Within 7 (seven) Business Days or such other period as decided otherwise amongst the Parties in writing from the receipt of the:
- (a) Sellers CP Confirmation Certificate and upon being satisfied with the contents of the Sellers CP Confirmation Certificate, the Purchaser shall confirm in writing, its acceptance of the Sellers CP Confirmation Certificate (“**Purchaser CP Satisfaction Certificate**”) in the form provided in Part A of **Schedule IV** (*CP Satisfaction Certificate*) of this Agreement; provided that, if the Purchaser does not respond to the Sellers CP Confirmation Certificate on or prior to the expiry of such 7 (seven) Business Days, then the SGS Promoters shall send a reminder to the Purchaser to confirm the contents of the Purchaser CP Satisfaction Certificate. If the Purchaser fails to confirm the contents of the Purchaser CP Satisfaction Certificate within 7 (seven) Business Days of such reminder by the SGS Promoters, this Agreement shall terminate as per the provisions of Clause 20.2.1 (d).

- (b) Purchaser CP Confirmation Certificate, upon being satisfied with the contents of the Purchaser CP Confirmation Certificate, the SGS Promoters shall confirm in writing, their acceptance of the Purchaser CP Confirmation Certificate (“**Sellers CP Satisfaction Certificate**”) in the form provided in Part B of **Schedule IV** (*CP Satisfaction Certificate*) of this Agreement; provided that, if the SGS Promoters do not respond to the Purchaser CP Confirmation Certificate on or prior to the expiry of such 7 (seven) Business Days, then the Purchaser shall send a reminder to the SGS Promoters to confirm the contents of the Sellers CP Satisfaction Certificate. If the SGS Promoters fails to confirm the contents of the Sellers CP Satisfaction Certificate within 7 (seven) Business Days of such reminder by the Purchaser, this Agreement shall terminate as per the provisions of Clause 20.2.1 (d).
- 4.6. Subject to Clause 4.7, if the SGS Promoters or the Purchaser are not satisfied with the Purchaser CPs or Seller CPs respectively, the procedure referred to in Clause 4.5 (a) and (b), as applicable, shall be followed thereafter until all the Purchaser CPs and the Seller CPs are fulfilled, to the satisfaction of the SGS Promoters or the Purchaser respectively, unless waived in writing by the Purchaser or the SGS Promoters, as the case may be.
- 4.7. **Long Stop Date.**
- 4.7.1 Notwithstanding anything to the contrary contained in this Agreement but without prejudice to 4.7.2, if Closing has not occurred on or prior to the Long Stop Date, then this Agreement shall automatically terminate with immediate effect without either Party incurring any obligation / liability towards any other Parties.
- 4.7.2 In the event GEF does not invest in Syrma in accordance with the Syrma SSA, Syrma will make best endeavours to complete the purchase of the Sale Shares within 3 (three) months from the date of the termination of the Syrma SSA, or such extended time period as may be mutually agreed in writing between Syrma and the SGS Promoters; in such a situation, if Syrma is unable to complete the purchase of the Sale Shares, then there will be no implications on Syrma or the Syrma Promoters. The Parties agree to extend the Long Stop Date accordingly. If Syrma and the SGS Promoters do not mutually agree to extend the Long Stop Date beyond 3 (three) months from the date of the termination of the Syrma SSA, this Agreement shall automatically terminate as per the provisions of Clause 20.2.1 (d).

## 5. CLOSING AND POST-CLOSING ACTIONS

- 5.1 The Parties shall consummate the transactions contemplated in Clause 5.3 (“**Closing**”) within 5 (five) Business Days following the receipt of the Purchaser CP Satisfaction Certificate by the SGS Promoters and the Company or the SGS Promoters CP Satisfaction Certificate by the Purchaser (whichever is later) or such other date as the Parties may agree (“**Closing Date**”). The Closing shall occur at such place as may be mutually agreed between the Parties.
- 5.2 All transactions contemplated by the Agreement to be consummated at Closing shall be deemed to occur simultaneously and no such transaction shall be deemed to be consummated unless all such transactions are consummated. The Parties further agree that if any of the actions required for the Closing have taken place on more than 1 (one) Business Day, and all such actions and / or conditions have been fulfilled, the said Business Day on which the last of such actions and / or conditions has been fulfilled, shall be the Closing Date.

5.3 At Closing:

- (a) The Purchaser shall remit the Sale Consideration in the proportion set out in Part A of **Schedule II** (*Bank Accounts and Sale Shares*) to the Sellers in the respective Sellers Bank Accounts, by way of wire transfer to the bank account designated by the SGS Promoters and shall immediately provide the swift code of such remittance to the SGS Promoters.
- (b) Simultaneously with the remittance of the Sale Consideration, the duly stamped, signed and dated irrevocable demat delivery instructions slips pertaining to the Sale Shares shall be handed over to the to the Purchaser.
- (c) The Purchaser shall deposit the irrevocable demat delivery instructions slips received with the Seller's depository participant for transfer of the Sale Shares from the Sellers' demat accounts' to the Purchaser's demat account.
- (d) The Company shall instruct the depository to deliver to the Company and the Purchaser, the benpos statement maintained with the depository.
- (e) The Purchaser will deliver to the Company original signed consent letter from ST for appointment as a Director.
- (f) The Company and the SGS Promoters shall handover an updated Disclosure Letter, a draft of which shall have been handed over to the Purchaser in terms of Clause 6.5.
- (g) The Company shall hold a meeting of the Board to pass appropriate resolutions for:
  - (i) taking on record and approving the transfer of the Sale Shares from the Sellers to the Purchaser and registering the Purchaser as the beneficial and legal holders of the Sale Shares;
  - (ii) nominating the Syrma Director for appointment as a Director subject to the approval of the Shareholders; and
  - (iii) convening an extraordinary general meeting of the Shareholders to approve the appointment of Syrma Director and adopt the Restated Articles;
- (h) The Company shall hold an extraordinary general meeting of its Shareholders (at shorter notice) and the Shareholders' shall pass appropriate resolutions for the appointment of the Syrma Director and adopt the Restated Articles.

5.4 The Company (and the SGS Promoters shall procure that the Company shall) deliver certified copies of the resolutions referred to in Clauses 5.3 (g) and (h) of the Agreement to the Purchaser, simultaneously at Closing.

**5.5 Post-Closing Actions**

Upon Closing, the Company shall undertake and complete all items as listed in **Schedule X** (*Post Closing Actions*) by no later than 60 (sixty) days from the Closing Date (unless a shorter time period is required under Applicable Laws).



## **6. REPRESENTATIONS AND WARRANTIES**

### **6.1. Representations and Warranties of each Seller.**

Subject to the disclosures made in the Disclosure Letter, each of the SGS Promoters on a several basis (and not on a joint basis), hereby represents and warrants to and for the benefit of the Purchaser that all the Seller Fundamental Warranties pertaining to such SGS Promoter and the Promoter Family Seller belonging to the respective Promoter Family of such SGS Promoter and the Other Fundamental Warranties in paragraph 2.1 to 2.9 of **Schedule 6 (Warranties)** (*Personal Warranties*) in relation to such SGS Promoter, are true and correct as on the Execution Date and as on the Closing Date.

### **6.2. Representations and Warranties of the Company and the Seller.**

Subject to the disclosures made in the Disclosure Letter, the Company and each of the SGS Promoters, on a joint and several basis, represent and warrant to and for the benefit of the Purchaser that all the Business Warranties and Other Fundamental Warranties except the Other Fundamental Warranties in paragraph 2.1 to 2.9 of **Schedule 6 (Warranties)** (*Personal Warranties*), are true and correct as on the Execution Date and as on the Closing Date.

### **6.3. Warranties as on the Execution Date and as on the Closing Date.**

Subject to the disclosures made in the Disclosure Letter, the Warranties, shall be true and correct as on the Execution Date and subject to the disclosures made in the Disclosure Letter, the Warranties shall be deemed to be repeated as at the Closing Date as if they were made on the Closing Date and as if all references in **Schedule VI (Warranties)** to the Execution Date or on the date of this Agreement were references to the Closing Date.

### **6.4. Representations by the Purchaser.**

The Purchaser hereby represents and warrants to the Company and the Sellers that each of the statements set out below are true and correct as on the Execution Date and as on the Closing Date:

- (i) it is duly established and validly exists under the Applicable Laws of the place of its incorporation or formation;
- (ii) the execution, delivery and performance by it of this Agreement complies with its constitutional documents;
- (iii) all necessary authorisations and consents for the execution, delivery and performance by it of this Agreement have been obtained except in so far as required to be obtained as conditions precedent under Clause 4;
- (iv) this Agreement:
  - (a) constitutes its legal, valid and binding obligations, enforceable in accordance with the Applicable Law, subject to any necessary stamping or registration; and
  - (b) does not constitute a breach of any Applicable Law, or cause or result in default under any agreement or other arrangement by which it is bound;

- (v) it has full power, authority and capacity to own and license its Assets and to enter into and perform the obligations incumbent upon it under this Agreement.
- (vi) it is not:
  - (a) subject to or suffering an insolvency event; or
  - (b) a party to any Litigation, arbitration, mediation, conciliation or administrative proceeding which is taking place whose outcome is reasonably likely to have a Material Adverse Effect on its ability to perform its obligations under this Agreement.
- (vii) The person who executes this Agreement on its behalf as an authorised signatory is duly authorised to do so.

6.5. The Warrantors shall be entitled to update the Disclosure Letter as of the Closing Date provided that: (a) such draft of the updated Disclosure Letter shall be provided to the Purchaser no later than 7 (seven) days or such other period as agreed amongst the Parties in writing, prior to the Closing Date and will be agreed to in writing by the Purchaser prior to proceeding with Closing; and (b) such updates shall only disclose facts, matters and/or circumstances that first arise or occur after the Execution Date.

## **7. PRE-CLOSING COVENANTS**

- 7.1. Except as otherwise provided in this Agreement, the Company shall and shall cause its Subsidiaries to not without the prior written consent of the Purchaser:
- (i) grant its approval for, or permit any, change in the capital structure and shareholding pattern of the Company as set out in **Schedule I** including any Transfer, in the issued, subscribed or paid-up share capital of the Company, including new issuance of shares or other Securities or buy-back, redemption, retirement or repurchase of any shares or other Securities, issuance of convertible debentures or warrants, or grant of any options over its shares, unless permitted or required pursuant to the terms of this Agreement;
  - (ii) other than (a) any payments to the SGS Promoters in their capacity as employees, and/or Directors; and/or (b) declaration or payment of dividend up to a maximum of average dividend percentage of the profits paid in the last 3 (three) financial years of the Company, and/or any benefit availed by the SGS Promoters and employees of the Company under any existing policy of the Company as on the Execution Date (which will not include issuance of shares and other Securities of the Company), declare or pay dividends or other distributions (whether in cash, or by of securities, property or other assets), or issue, allot, repurchase, redeem, alter, reorganize or retire any Securities, and any rights attached to any such Securities or otherwise permit any change in its equity structure, any changes in class rights for the securities, or modify or adopt any equity option and plan, other than as specifically required to comply with the terms of this Agreement;
  - (iii) sell, Transfer or create any Encumbrance over any of the Assets, other than in the Ordinary Course of Business;

- (iv) take any action that has the effect of, directly or indirectly, to discuss, enter into any agreement or understanding (whether or not such agreement or understanding is absolute, revocable, contingent, conditional, oral, written, binding or otherwise) or solicit any Third Party, for a potential acquisition of: (a) any Securities or other rights in the Company; or (b) the Business or any part thereof;
- (v) commence any new line of business that is not related to the Business or materially reorganise, discontinue or otherwise materially alter any part of the Business;
- (vi) conduct its Business or the Subsidiaries' business otherwise than in the Ordinary Course of Business;
- (vii) not take any action between the Execution Date and the Closing Date in relation to any matter listed under the Syrma Reserved Matters;
- (viii) make any change to the number of members on its Board;
- (ix) appoint or terminate employment of any Key Managerial Personnel;
- (x) make any alteration or amendment to its Charter Documents other than as contemplated under the Transaction Documents;
- (xi) enter into or permitting any transaction which results in a merger, demerger, sale of all or substantially all the assets or shares of the Company, reorganization, restructuring or amalgamation of or with the Company save and except for the purposes specified in the Transaction Documents or for the purposes of the Proposed Merger;
- (xii) liquidate, dissolve or wind up the Company, including commencing insolvency or bankruptcy proceedings, or making any assignment for the benefit of creditors;
- (xiii) take any action which shall lead to any event, occurrence, fact, condition, change, development or effect or permit anything that individually or in aggregate could have or result in a Material Adverse Effect (including whether through the passage of time, giving of notice, satisfaction of a condition or otherwise) or a breach of any of the provisions of the Transaction Documents by the Company or the SGS Promoters;
- (xiv) change the constitution of the Board unless required pursuant to, or effected under the terms of the Transaction Documents;
- (xv) enter into any transaction(s) with (i) a Related Party except with SGS Solutions GmbH in the Ordinary Course of Business; and (ii) the SGS Promoters or any Affiliate of the Company and / or the SGS Promoters, save and except for the purposes specified in the Transaction Documents;
- (xvi) commence any insolvency or bankruptcy proceedings, or made any assignment for the benefit of creditors;
- (xvii) enter into any Contract relating to, or granting, modifying or terminating, any Intellectual Property Rights adversely affecting the Business; and

(xviii) accelerate repayment of any loans or other amounts outstanding to any shareholder of the Company.

7.2. In view of the Proposed Merger, the Parties agree that between the Execution Date and Merger Effective Date (*as defined under the Framework Agreement*) (which Merger Effective Date for the purpose of this Clause 7.2 shall be construed as no later than 30 September 2022 (or such extended date as may be mutually agreed in writing between the Company, Primary Syrma Promoters, SGS Promoters and Syrma)), Syrma and Primary Syrma Promoters shall ensure not to undertake the following actions, without the prior written consent of the Authorised Representative on behalf of the SGS Promoters:

- (i) Sale of whole or substantially all of the business of the Purchaser;
- (ii) Public offerings including an IPO of the Purchaser;
- (iii) Any reorganization, consolidation, merger by court process or otherwise other than the Proposed Merger;
- (iv) Any re-purchase, buyback, redemption or other cancellation of the Purchaser's equity or preference share capital whereby the shareholder group (or its Affiliates pursuant to future inter se transfers) holding majority of the equity shareholding of the Purchaser as of the date of this Agreement becoming minority equity shareholders pursuant to such re-purchase, buyback, redemption or other cancellation;
- (v) Formation of subsidiaries or joint ventures by the Purchaser;
- (vi) Mergers and spin-off by the Purchaser except the Proposed Merger;
- (vii) Winding up, liquidation, bankruptcy or insolvency of the Purchaser; and
- (viii) Transfer of any shareholding of the Purchaser, directly or indirectly (in so far as indirectly, in the manner provided under the Syrma SHA) by the Syrma Promoters, other than the below:
  - (a) any *inter-se* Transfers amongst the members of the Syrma Promoters or to their respective Affiliates or Relatives (as defined in the Syrma SHA) for the purposes of estate planning, upon 30 (thirty) days' prior written notice to the SGS Promoters provided that the Control, at all times, of the Purchaser remains with the Syrma Promoters, and in the event such Transfers are made to a trust, the beneficiaries of such trust shall be the Syrma Promoters or their Affiliates or Relatives (as defined in the Syrma SHA);
  - (b) any Transfer by the Syrma Promoters (in single or multiple tranches) up to 4% (four per cent.) of their aggregate shareholding on a Fully Diluted Basis (as defined under the Syrma SHA and other than as given to the term loan and working capital lenders of the Company with respect to Indebtedness) as on the date of execution of the Syrma SHA, to any Person; and
- (ix) any allotment of securities by Syrma to its existing or new shareholders, other than any of the following events:

- (i) any issuance of securities to GEF and VKT in accordance with the Syrma SSA;
- (ii) any issuance of securities on, before or subsequent to the Closing Date (as defined under the Syrma SSA) to certain individuals or bodies corporate identified by the Syrma Promoters (such persons, “*Nominated Subscribers*” and such issuance, the “*Nominated Subscribers’ Issuance*”) amounting to upto 16,656 (sixteen thousand six hundred and fifty six) equity shares of the Purchaser and constituting upto 1.95% (one point nine five per cent.) of the shareholding of the Purchaser, on an As Converted Basis (as defined under the Syrma SSA), upon / post Closing (as defined in the Syrma SSA), as provided under Part B of Schedule I of the Syrma SSA; and / or
- (iii) any issuance of securities pursuant to the ESIP (as defined in the Syrma SHA), in accordance with the Syrma SHA.

It is hereby clarified that notwithstanding this Clause 7.2 (ix), Syrma and Primary Syrma Promoters shall ensure that the shareholding of the SGS Promoters in the Merged Entity upon the completion of the Proposed Merger and the SGS Promoters becoming shareholders in the Merged Entity shall constitute not less than 36.55% (thirty six point five five percent) on an As Converted Basis (as defined in the Syrma SSA).

- 7.3. Syrma shall and the Primary Syrma Promoters shall procure that Syrma, incorporates in the Restated Articles (as defined under the Syrma SSA) to be approved by the shareholders of Syrma on the Closing Date (as defined under the Syrma SSA), the provisions of Clause 7.2 above, on the condition that such Clause 7.2 as incorporated in Restated Articles (as defined under the Syrma SSA) shall only be valid until 30 September 2022 (or such extended date as may be mutually agreed in writing between the SGS Promoters, Company, Syrma and the Primary Syrma Promoters). Syrma and the Primary Syrma Promoters agree that no amendment to the provisions of the Restated Articles (as defined under the Syrma SSA) specifically reflecting the provisions of Clause 7.2 above, shall be made, until 30 September 2022 (or such extended date as may be mutually agreed in writing between the Company, the SGS Promoters, Primary Syrma Promoters and Syrma), without the prior written consent of the Authorised Representative (on behalf of the SGS Promoters).

## 8. INDEMNIFICATION

- 8.1. Subject to the provisions of this Clause 8, the Company and each SGS Promoter shall jointly and severally indemnify, defend and hold harmless, at any time and from time to time, the Purchaser and its Affiliates, officers, directors, managers, and employees (including those on secondment) of the Purchaser and its Affiliates (referred to as “**Indemnified Party/ Parties**”) from and against Losses actually incurred or suffered by the Indemnified Party after Closing as a consequence of, or relating to or arising out of or in connection with the following:
- (a) subject to the disclosures made in the Disclosure Letter, any breach of any (i) Business Warranty; (ii) any Other Fundamental Warranty except the Warranties under paragraphs 2.1 to 2.9 of **Schedule VI** (*Warranties*) (*Personal Warranties*); and
  - (b) notwithstanding anything contained in the Disclosure Letter (i) the items set out in **Schedule XI** (*Specific Indemnity*) in relation to the period prior to Closing; (ii) breach of

any terms of Clause 5.6 read with **Schedule X** (*Post Closing Actions*); and (iii) any fraud, gross negligence and / or wilful misconduct on the part of the Company and / or the SGS Promoters.

- 8.2. Each of the SGS Promoters, on a several basis (and not jointly), shall indemnify, defend and hold harmless, at any time and from time to time, the Indemnified Party from and against Losses actually suffered or incurred by the Indemnified Party as a consequence of, or relating to or arising out of or in connection with any breach of (i) the SGS Promoter Seller Fundamental Warranty given by such SGS Promoter and the Promoter Family Seller Fundamental Warranties given by his respective Promoter Family Seller; and (ii) the Warranties under paragraphs 2.1 to 2.9 of Schedule VI (*Warranties*) (*Personal Warranties*) given by such SGS Promoter.
- 8.3. The events provided in Clause 8.1 and Clause 8.2, shall each be referred to as (“**Indemnification Event**”). Subject to Clause 8.7 and 8.9, “**Indemnifying Party**” shall mean the Company and each SGS Promoter, as the case may be, with respect to the Indemnification Event. It is clarified that the Indemnified Party shall not in any event whatsoever seek an indemnity under this Clause 8 or raise any claim whatsoever, from any Promoter Family Seller in relation to breach of the Promoter Family Seller Fundamental Warranties.

8.4. **Procedure for indemnification.**

Claim

- 8.4.1 If the Indemnified Party suffers any actual Loss relating to or arising out of, or in connection with any claim giving rise to an indemnity under Clause 8.1 and 8.2, the Indemnified Party shall:
- (a) inform the Indemnifying Party of such Loss, in writing, as soon as reasonably practicable (to the extent such information is known to the Indemnified Parties) and in any event within 30 (thirty) days from the date on which the Indemnified Party has been in cognizance of such Loss; and
  - (b) deliver a written notice to the Indemnifying Party, as soon as reasonably practicable and in any event within 6 (six) months from the date on which the occurrence of the Loss has been specifically recorded in writing by the Indemnified Party (“**Indemnity Notice**”).

The Indemnity Notice delivered by the Indemnified Party to the Indemnifying Party shall, specify in reasonable detail (i) the basis for the Losses and the nature of such claim to which each such item is related; and (ii) the computation of the Loss which the Indemnified Party claims to be entitled to, under this Clause 8.

- 8.4.2 The Indemnified Party shall take all reasonable action and provide all reasonable assistance and cooperation to the Indemnifying Party (at the Indemnifying Parties’ cost) to avoid or mitigate any Loss in respect of a matter giving rise to an Indemnification Claim, which in the absence of such mitigation or assistance might give rise to an indemnifiable Loss under this Agreement.
- 8.4.3 Within 90 (ninety) days of receipt of the Indemnity Notice, the Indemnifying Party shall assess the extent of Loss suffered by the Indemnified Parties, as specified in the Indemnity Notice and shall make indemnity payments in accordance with the instructions provided by such Indemnified Party within 120 (one hundred and twenty) days of receipt of the Indemnity Notice.

However, if the Indemnifying Party chooses to dispute within the aforesaid period of 90 (ninety) days in accordance with Clause 40 (*Dispute Resolution*), the subject matter or the amount (in part or full) of the indemnity claim, as stated in the Indemnity Notice, indemnity payments to the Indemnified Party shall be made by the Indemnifying Party in a manner and within such period as decided by the arbitration tribunal in its award provided such period shall be at least 120 (one hundred and twenty) days but shall not exceed 150 (one hundred and fifty) days from the date of the award.

Third Party Claim

- 8.4.4 The Indemnified Party shall notify the Indemnifying Party in writing (“**Third Party Claim Notice**”) as soon as reasonably practicable and in any event within 30 (thirty) days upon receiving a notice of assertion or commencement of any claim, demand, action, proceeding or suit by a third party (“**Third Party Claim**”). Such Third Party Claim Notice shall specify the facts giving rise to the Third Party Claim by the Indemnified Party and specify the amount of the Third Party Claim, to the extent such amount is known and ascertainable by the Indemnified Party.
- 8.4.5 Upon receipt of the Third Party Claim Notice, if the Indemnifying Party has assumed the defence of any Third Party Claim, the Indemnifying Party shall have the right to assume the defence of such Third Party Claim with legal counsel selected by the Indemnifying Party and the Indemnifying Party shall be entitled to consent to any settlement or understanding, provided such settlement or understanding by its terms, whether or not required by an order or direction of a Governmental Authority, unconditionally and fully releases the Indemnified Party from all liability arising out of such Third Party Claim. The Indemnifying Party shall keep the Indemnified Party informed of the progress of the proceeding relating to such Third Party Claim and provide the Indemnified Party with all such information and documents as the Indemnified Party may reasonably request in relation to the Third Party Claim.
- 8.4.6 If the Indemnifying Party does not assume defence of any such Third Party Claim in the manner specified above, the Indemnified Party shall have the right to defend such Third Party Claim at its discretion, in which case, all reasonable expenses incurred by the Indemnified Party including administrative expenses, costs including legal fees, deposits or guarantees required to be made in any proceedings, judicial awards, shall be borne by the Indemnifying Party and the Indemnifying Party shall fully reimburse the Indemnified Party for all such reasonable expenses incurred by the Indemnified Party in relation to defending such Third Party Claim. The Indemnified Party shall keep the Indemnifying Party informed of the progress of the proceedings relating to such Third Party Claim and shall provide the Indemnifying Party with all such information and documents as the Indemnifying Party may reasonably request in relation to the Third Party Claim. Provided, the Indemnified Party shall not settle any Third Party Claim, if (a) the Indemnifying Party has any obligation or liability as a result of such settlement (whether monetary or otherwise); (b) the settlement entails any admission of liability on the part of any Indemnifying Party; and / or (c) it does not settle such claims fully and unconditionally, unless such settlement is consented to in writing by the Indemnifying Party.
- 8.4.7 In the event the Indemnified Party fails to successfully defend the Third Party Claim, the Indemnifying Party shall pay the amount equal to the Third Party Claim by wire transfer, in accordance with the instructions provided by such Indemnified Party within a period of 120 (one hundred and twenty) days of the request being made by the Indemnified Party, subject to the Indemnifying Party’s right to appeal such Third Party Claim.
- 8.4.8 The claim made under Clause 8.4.1 and Third Party Claim are hereinafter referred to an

**“Indemnification Claim”.**

**8.5. Limitations to Indemnity.**

8.5.1 The Indemnifying Party shall not be liable for any single incident of Loss unless the consequent impact on the Company arising in respect of any Indemnification Claim exceeds INR 20,00,000 (Indian Rupees Twenty Lakh Rupees)) (“**De Minimis Threshold**”) in value and any such Indemnification Claim exceeding the De Minimis Threshold which is referred to as a “**Non-De Minimis Claim**” in which case the Indemnified Party shall be entitled to claim the entire amount of the Losses suffered by them provided however that all such Non De-minimis Amounts should exceed INR 5,00,00,000 (Rupees Five Crores) (the “**Aggregate Threshold Amount**”) and once the Aggregate Threshold Amount is reached, the Indemnified Party shall be entitled to claim the entire amount of the Losses with respect to the Non-De Minimis Claim.

8.5.2 The total aggregate liability of the Indemnifying Party under this Agreement:

- (i) subject to the provisions of Clause 8.5.2(ii), for any breach of Seller Fundamental Warranties by a SGS Promoter or the Promoter Family Seller as provided in Clause 8.2 shall not exceed that portion of the Sale Consideration which is paid to the relevant SGS Promoter and his respective Promoter Family Seller for the sale of the relevant Sale Shares by that SGS Promoter and his respective Promoter Family Seller;
- (ii) subject to Clause 8.7 and 8.9, for any breach of Other Fundamental Warranties (other than the real estate warranties in relation to the Factory Owned Properties set out under paragraph 8 of the **Schedule VI (Warranties)** by the Company and the SGS Promoters shall not exceed INR 25,00,00,000 (Indian Rupees twenty five crores only); provided that, it is hereby clarified that the aggregate cap of indemnity for the Indemnification Claims under Clause 8.5.2(i) and Clause 8.5.2(ii), shall not exceed the Sale Consideration, i.e., the limit of INR 25,00,00,000 (Indian Rupees twenty five crores only) under this Clause 8.5.2(ii) will be subsumed within the overall cap of the Sale Consideration;
- (iii) subject to Clause 8.5.2 (iv), Clauses 8.7 and 8.9, for any breach of Business Warranties and the Other Fundamental Warranties relating specifically to real estate warranties in relation to the Factory Owned Properties set out under paragraph 8 of the **Schedule VI (Warranties)** by the Company and the SGS Promoters, shall not exceed INR 50,00,00,000 (Indian Rupees Fifty Crores only);
- (iv) subject to Clauses 8.7 and Clause 8.9, for any Losses arising out of claims pursuant to Clause 8.1(b)(i) (*Specific Indemnity*), shall not exceed the actual Losses suffered by the Company and Indemnified Party in this regard, (provided that, it is hereby clarified that the aggregate cap of indemnity for the Indemnification Claims under Clause 8.5.2(iii) and Clause 8.5.2(iv), shall not exceed INR 50,00,00,000 (Indian Rupees Fifty Crores only);

It is further clarified that to raise an Indemnification Claim under Clause 8.1(b)(i) (*Specific Indemnity*), each single incident of Loss will need to be in excess of the De Minimis Threshold, however Aggregate Threshold Amount will not apply for an Indemnification Claim under Clause 8.1(b)(i) (*Specific Indemnity*).



- (v) (a) If, after the Closing Date, the Indemnified Party suffers an actual Loss, due to any fraud, gross negligence, or wilful misconduct by the Company and / or the SGS Promoters, then subject to Clause 8.7 and Clause 8.9 and in accordance with this Clause 8 (*Indemnification*), including the limitation of liability set out in Clause 8.5.1 (*De-Minimis and Aggregate Threshold Amount*) and the aggregate cap of indemnity set out under clause 8.5.2(iv), the Indemnified Persons shall have a right to be indemnified by the Company and/or the SGS Promoters, provided however, (b) the monetary limitations on indemnification as set out under Clauses 8.5.2 shall not apply in case of fraud, gross negligence or wilful misconduct by the Company and/or the SGS Promoters in providing the Warranties under this Agreement, and as such no monetary caps will apply to such claims.
- 8.5.3 Where the Indemnifying Party has made a payment to the Indemnified Party in relation to any Loss and such Indemnified Party recovers (whether by insurance, payment, discount, credit relief or otherwise) from a Third Party a sum which indemnifies or compensates such Indemnified Party (in whole or in part) in respect of the liability or Loss which is the subject of a claim under this Clause 8, the Indemnified Party shall (a) promptly notify the Indemnifying Party of the fact and provide such information as the Indemnifying Party may reasonably require; and (b) pay to Indemnifying Party as soon as reasonably practicable after receipt of such an amount, the amount recovered from the third party, after deducting costs and expenses incurred by such Indemnified Party to realize such amount from the Third Party.
- 8.5.4 Subject to any actual Losses suffered by the Company being deemed to be Losses suffered by the Indemnified Party to the extent of its shareholding percentage in the Company (on an As Converted Basis), the Indemnifying Party shall not be liable for indirect, special, remote or consequential damages under this Agreement, regardless of whether such liability arises in tort, contract, breach of warranty, indemnification or otherwise.
- 8.5.5 The Indemnifying Parties shall not be liable for any Indemnification Claim where the matter giving rise to the Indemnification Claim is remedied or rectified without any Loss being suffered or incurred by the Indemnified Party within 60 (sixty) days from the Indemnification Claim having arisen or any such time as mutually agreed in writing between the Indemnified Parties and the Indemnifying Parties and in respect of either the matter giving rise to the Indemnification Claim or its rectification, the Indemnified Party and/ or another Person has been or is otherwise compensated in full by the Indemnifying Party for the concerned Loss.
- 8.5.6 The Warrantors shall not be liable for any Indemnification Claim if and to the extent: (i) the relevant liability would not have arisen but for a change in Applicable Law occurring after the Execution Date, provided that the Warrantors failed to sufficiently disclose the impact of such change in Applicable Law on the Warranties to the Purchaser in the Disclosure Letter whether or not that change purports to be effective retrospectively in whole or in part; and/or (ii) matters or circumstances giving rise to any Indemnification Claim that are disclosed in the Disclosure Letter; and / or (iii) any act done with the written consent of the Purchaser and/or Syrma Promoters. It is clarified that the inclusion of any fact or item referenced in one section or sub-section of the Disclosure Letter shall only be deemed to refer to another section or sub-section of the Disclosure Letter if the applicability of such matter to the other section or sub-section is reasonably apparent.
- 8.5.7 The Indemnified Party shall not recover, more than once in respect of the same Losses suffered or amount for which the party is otherwise entitled to claim (or part of such Losses or amount), and no amount (or part of any amount) shall be taken into account, set off or credited more than

once, with the intent that there will be no double counting.

- 8.5.8 To the extent that an Indemnification Claim is for Loss which is based upon a contingent liability, the Indemnifying Party must not be liable to make a payment to the Indemnified Party in respect of such Loss unless and until such time as the contingent liability becomes actual Loss.
- 8.5.9 The indemnification rights of the Indemnified Party under this Clause 8 are the sole monetary remedy available to the Indemnified Party for an Indemnification Event. The Indemnified Persons shall be entitled to seek independent of, and in addition to the indemnification rights, such other rights and remedies they may have at Applicable Law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief.
- 8.5.10 Notwithstanding anything contained in this Agreement, the rights of indemnification of the Indemnified Party and the indemnification obligation of the Indemnifying Party under this Clause 8 shall not arise until Closing has occurred in accordance with the terms and conditions of this Agreement.

#### 8.6. **Claim Period**

- 8.6.1 The Indemnifying Party (to the extent of its liability) shall be liable to indemnify the Indemnified Party in relation to an Indemnification Claim only if the Claim Notice pertaining to the relevant Indemnification Claim is duly given and is received as per the process set out in Clause 31.2 (*Notices*) on or prior to the expiry of the relevant periods mentioned below: (each a “**Claim Period**”):
- (i) an Indemnification Claim in relation to Seller Fundamental Warranty and Warranties under paragraphs 2.1 to 2.9 of **Schedule VI** (*Warranties*) (*Personal Warranties*), any time after the Closing Date up to the lifetime of the respective SGS Promoter;
  - (ii) an Indemnification Claim in relation to a Business Warranty (other than the Tax related warranties set out in paragraphs 13.1 to 13.8 under **Schedule VI** (*Warranties*)), at any time but prior to expiry of 3 (three) years from the Closing Date;
  - (iii) an Indemnification Claim in relation to (a) an Other Fundamental Warranty including specifically in relation to the Factory Owned Properties set out under paragraph 8 of **Schedule VI** (*Warranties*) but excluding the Warranties under paragraphs 2.1 to 2.9 of **Schedule VI** (*Warranties*) (*Personal Warranties*); and (b) Clause 8.1 (b)(i) (*Specific Indemnity*), at any time after the Closing Date without limitation of time, however, if made to the SGS Promoters in accordance with Clause 8.7 and Clause 8.9, up to the lifetime of the respective SGS Promoter, and thereafter on the surviving SGS Promoters;
  - (iv) all Indemnification Claims pertaining to breach of Warranties under paragraphs 13.1 to 13.8 of **Schedule VI** (*Warranties*) (*Tax Warranties*) at any time prior to the expiry of 7 (seven) years from the end of the Financial Year in which the Closing occurs;
  - (v) the Parties agree that the provisions of Clause 8.6.1 shall not apply in case of fraud, gross negligence and wilful misconduct by the Company and the SGS Promoters, and all such Indemnification Claims will be without limitation of time, however, if the Indemnification Claim is made to the SGS Promoters in accordance with Clause 8.7 and

Clause 8.9, it shall be limited only up to the lifetime of the respective SGS Promoter, and thereafter on the surviving SGS Promoters.

- 8.6.2 For the avoidance of doubt, it is hereby clarified that upon the expiry of the relevant applicable Claim Period mentioned above in Clause 8.6.1, the Indemnifying Party shall have no liability whatsoever to indemnify any of the Indemnified Parties in regard to Indemnification Claim to which such Claim Period pertains, provided that, if an Indemnification Claim has been duly given and is received as per the process set out Clause 31.2, prior to expiry of such Claim Period, then such Indemnification Claim shall survive the Claim Period.
- 8.6.3 It is clarified that notwithstanding anything in this Agreement and the Transaction Documents, the Claim Period shall not stand increased upon the completion of the Proposed Merger, the Scheme of Amalgamation becoming effective and the Company ceasing to exist.
- 8.7. The Indemnified Party expressly agrees that for Indemnification Claims, other than with respect to Seller Fundamental Warranties and Other Fundamental Warranties in paragraphs 2.1 to 2.9 of Schedule 6 (*Warranties*) where the liability of the SGS Promoters is several and not joint in the manner provided in Clause 8.2, in respect of any claims arising under Clause 8 (*Indemnification*), the Indemnified Party shall first seek recourse against the Company, and if and only if the Company fails to make such payment (fully or in part), within 120 (one hundred and twenty) days of the indemnification amounts becoming due and payable, only in that event the SGS Promoters, (without prejudice to their joint and several obligation towards the Indemnified Party, the SGS Promoters, in their sole and absolute discretion may decide amongst themselves the manner and proportion in which they want to pay and settle the indemnification amounts due and payable to the Indemnified Parties), subject to and in accordance with the other terms of this Agreement, shall immediately pay such indemnification amounts to indemnify the Indemnified Party for such Indemnification Claim. The Indemnifying Party, whether the Company or the SGS Promoters, agrees to satisfy such Indemnification Claim within a period of 120 (one hundred and twenty) days from the date of the indemnification amounts becoming due and payable to the Indemnified Party. Notwithstanding the foregoing, no Person shall have the right to, and shall not be paid, any reimbursement from the Company for any Indemnification Claim paid to the Indemnified Parties, if such Person is obliged to indemnify the Indemnified Parties under this Clause 8. The Indemnified Parties acknowledge and agree that the liability of each of the SGS Promoters under this Clause 8 shall only be valid for his lifetime, and that such liability under this Clause 8 shall not devolve upon their respective successors and heirs. It is clarified that subject to the Claim Period within which an Indemnification Claim can be made as provided under clause 8.6.1, and Clause 8.7 and Clause 8.9, the liability of the SGS Promoters in relation to the Indemnification Claims for an Indemnification Event under Clause 8.1, shall be valid for the lifetime of the SGS Promoters, and thereafter on the surviving SGS Promoters (i.e., the remaining SGS Promoters) and the Company, jointly and severally, for the entire liability due to the Indemnified Parties for such Indemnification Claims.
- 8.8. If any monetary Loss has been actually suffered by the Company as a result of a payment to a third party following the occurrence of, or in connection with, any of the events set forth under Clause 8.1(a) and /or Clause 8.1(b) (and Losses are actually incurred or suffered by the Indemnified Parties, as a consequence of, or relating to or arising out of or in connection with such event), then such percentage of the monetary Loss actually suffered by the Company as corresponds to the shareholding of the Purchaser in the Company on a As Converted Basis as of the date that the Loss is suffered, shall be deemed to be the Loss suffered by Purchaser, for the purposes of determining the indemnification obligations of the Company (and upon its

failure, of the SGS Promoters in terms of Clause 8.7) pursuant to this Agreement.

- 8.9. Upon completion and effectiveness of the Proposed Merger and the SGS Promoters becoming the shareholders of Syrma, Syrma as the merged entity (“**Merged Entity**”) shall cease to be an Indemnified Party and shall automatically replace the Company to become an Indemnifying Party (for the matters which are required to be indemnified by the Company under this Clause 8) along with the SGS Promoters. If any Indemnification Claim arises under Clause 8.1, the Indemnified Parties (excluding the Merged Entity) shall first seek recourse for the Losses against the Merged Entity. In the event, the Merged Entity is unable to make indemnity payments towards an Indemnification Claim (fully or in part) within 120 (one hundred and twenty) days of the indemnification amounts becoming due and payable, then the SGS Promoters shall immediately pay such indemnification amounts in accordance with Clause 8.7 above. The provisions of Clause 8 (including Clause 8.7 above) shall *mutatis mutandis* apply to any Indemnification Claim by an Indemnified Party post the effectiveness and completion of the Proposed Merger, and upon the SGS Promoters becoming the shareholders of Syrma. For the purposes of this Clause 8.9 and avoidance of doubt, the Syrma Promoters and their Affiliates holding shares in the Merged Entity shall be considered as the Indemnified Parties to extent of their shareholding percentage in the Merged Entity (on an As Converted Basis) and it would be deemed that the Business Warranties and Other Fundamental Warranties (except the Other Fundamental Warranties in paragraph 2.1 to 2.9 of **Schedule 6 (Warranties) (Personal Warranties)** (subject to the disclosures under the Disclosure letter) in the manner provided under Clause 6 of this Agreement were provided to the Syrma Promoters and their Affiliates on the Execution Date and the Closing Date.
- 8.10. If the SGS Promoters in accordance with this Clause 8 indemnify an Indemnified Party in respect of a Indemnification Claim, the SGS Promoters expressly agree to waive any rights of counter-indemnity or the right of subrogation available in Applicable Law, against the Company or the Merged Entity, as the case may be, in respect of such indemnity.
- 8.11. Notwithstanding anything contained in this Agreement, the Parties agree that on and from the completion and effectiveness of the Proposed Merger and the SGS Promoters becoming the shareholders of Syrma, the liability of the Merged Entity and/or the SGS Promoters towards the Indemnified Parties (which term shall replace the word “Purchaser” with the Syrma Promoters and their Affiliates ) under Clauses 8.5.2 (iii), (iv) and (v)(a) shall stand reduced from INR 50,00,00,000 (Indian Rupees Fifty Crores only) to INR 25,00,00,000 (Indian Rupees Twenty Five Crores only).

8.12. **Claims in relation to Section 281 of the Tax Act**

The Parties agree that any Indemnification Claims against the Indemnified Persons in relation to or under Section 281 of the Tax Act shall be dealt with in the manner provided under **Schedule XVII (Process for Section 281 Indemnification)**.

**9. GOVERNANCE OF THE COMPANY**

9.1. **Board of Directors.**

- 9.1.1. Subject to Applicable Law and the terms of this Agreement and Charter Documents, as the case may be, the Assets, Business, operations and affairs of the Company shall be managed exclusively by and under the overall direction, supervision and control of the Board, which shall have powers to do all such lawful acts and take all such actions as are permitted under

Applicable Law and the Charter Documents.

- 9.1.2. The Company shall, subject to Applicable Law, have no more than 5 (five) Directors. The Board shall, unless otherwise provided in this Agreement, consist of 4 (four) Directors representing each of the SGS Promoters and 1 (one) Director representing Syrma. To the extent permissible by Applicable Law, the appointment of the Directors shall be by direct nomination by the SGS Promoters and Syrma, and any appointment or removal, unless the contrary intention appears, shall take effect from the date it is notified to the Company in writing. If Applicable Law does not permit the Person nominated by the SGS Promoters and/or Syrma to be appointed as a Director or alternate Director of the Company merely by nomination, then the Company and the SGS Promoters shall ensure that the Board forthwith (and in any event within 7 (seven) days of such nomination or at the next Board meeting, whichever is earlier) appoints such Person as a Director or alternate Director, as the case may be, of the Company, and further ensure that, unless SGS Promoters and Syrma, as the case may be, changes or withdraws such nomination, such Person shall also be elected as a Director or alternate Director, as the case may be, of the Company, at the next general meeting of the Shareholders. The Board and each Shareholder shall promptly vote in favour of the Director and alternate Director nominees nominated pursuant to this Clause 9.1.2.
- 9.1.3. The Board will appoint the managing director and chairman of the Company in the manner set out in **Schedule VIII** (*Appointment of MD/Chairman*). Subject to the provisions of the Act, post the retirement from the position of the chairman or managing director of the Board, such SGS Director will continue as a SGS Director.

9.2. **Removal of Directors.**

- 9.2.1. Notwithstanding anything to the contrary, Syrma or SGS Promoters, as the case may be, may from time to time by, issuing a notice in writing to the Company, remove and/ or replace their nominee Director on the Board. For the avoidance of doubt, it is clarified that Syrma shall have the right to remove and/or replace only the Syrma Director and not SGS Directors and the SGS Promoters shall have the right to remove and/or replace only the SGS Directors and not the Syrma Director.
- 9.2.2. Except as otherwise provided in this Agreement, each of JSG, KKP, SN and RSL shall continue to represent the respective SGS Promoter on the Board. All SGS Promoters shall be in employment of the Company.
- 9.2.3. The SGS Promoters agree that in the event a SGS Promoter (along with his respective Promoter Family) ceases to hold 15% (fifteen percent) of the Share Capital, such SGS Promoter shall cease to have the right to continue as a SGS Director and/or such SGS Promoter shall cease to have the right to nominate a representative on the Board. The SGS Promoter(s) who acquire(s) the shareholding from a SGS Promoter Family which ultimately results in such SGS Promoter Family to hold less than 15% (fifteen percent) of the Share Capital, shall acquire the right to nominate a representative on the Board from such SGS Promoter, either jointly or singly, as may be decided mutually decided between the SGS Promoters. For avoidance of doubt and notwithstanding this Clause 9.2.3, it is clarified that until SGS Promoters (as a bloc) along with their Affiliates hold 80% (eighty percent) in the Company, the SGS Promoters shall have the right to nominate for appointment 4 (four) out of 5 (five) Directors on the Board in accordance with the terms of this Agreement.

**9.3. Retirement of Directors and Vacancies.**

- 9.3.1. If retirement by rotation is applicable and subject to the provisions of the Act, the Directors are required to retire by rotation under Applicable Law, each Party shall ensure that such retiring Director is re-appointed at the general meeting in which such Director is required to retire and further, the Parties agree and undertake to vote in order to ensure such re-appointment.
- 9.3.2. Subject to Clause 9.2.3, in the event of the (A) (i) unlikely demise of a SGS Promoter; or (ii) disqualification of such SGS Promoter to continue as a SGS Director under the Act; or (iii) permanent physical disability of such SGS Promoter, the spouse or any child nominated by the spouse of such SGS Promoter shall be appointed as a SGS Director. Except as provided in Clause 9.3.3 of this Agreement, such Director shall be considered to be an SGS Director for the purposes of this Agreement.
- 9.3.3. Only one of JSG, KKP and RSL shall be appointed as a chairman or managing director, if appointed, of the Board. It is clarified that any Person appointed as a SGS Director in place of JSG, KKP and RSL in accordance with the terms of this Agreement shall not be appointed as a chairman or managing director of the Board.
- 9.3.4. In case of an event set out in Clause 9.3.2 of this Agreement pursuant to which the spouse or child replaces a SGS Director, such spouse or child, will be entitled to receive remuneration equivalent to the remuneration that was being paid to such SGS Director.

**9.4. Remuneration of Directors.**

- 9.4.1. The remuneration of the Directors, their sitting fees, travel expenses, etc. shall be as approved by the Board from time to time in terms of the Company's directors remuneration policy.
- 9.4.2. Between the age of 67 (sixty seven) years and the age of 70 (seventy) years, a SGS Director shall be entitled to receive remuneration equivalent to 50% (fifty percent) of the remuneration received by the other SGS Directors who are below the age of 67 years. Such SGS Director will be entitled to associate himself with family owned businesses or hold such positions in the public/private sector for which he does not earn remuneration, provided such association does not contravene the provisions of Clause 28 (*Non-Compete*) of this Agreement.

**9.5. Chairman.**

The Board will select one amongst the SGS Directors to be the chairman of the Board in accordance with **Schedule VIII** (*Appointment of MD/Chairman*). The chairman shall not have a second or casting vote in the event of an equality of votes at Board meetings or general meetings of the Company.

**9.6. Board Meetings.**

- 9.6.1. The Board shall meet at least at such frequency as prescribed by the Act. The meetings of the Board can be held either at the registered office of the Company or such other place as may be determined by the Board.
- 9.6.2. At least 7 (seven) Business Days' (or such shorter period as may be approved in writing by each of the Directors subject to the Act) written notice shall be given to each Director for each meeting, setting out the agenda for the meeting in reasonable detail and attaching the relevant

documents and background notes to be discussed at the meeting and all available data and information relating to matters to be discussed at the meeting, except as otherwise agreed in writing by all the Directors.

- 9.6.3. Any Director may, and the company secretary of the Company, if so appointed, shall on the requisition of a Director, summon a meeting of the Board or a committee thereof, in accordance with the notice and other requirements set out in this Clause 9. Any Director wishing to place a matter on the agenda for any meeting of the Board may do so by communicating with the Chairman sufficiently in advance of the meeting of the Board, so as to permit timely dissemination of information with respect to the agenda items to all Directors.

9.7. **Alternate Director.**

The Board shall have the power to appoint alternate Directors to act in accordance with the Act. Provided however that, an alternate Director appointed in place of the Syrma Director shall be replaced by a nominee of Syrma and a SGS Director by the respective SGS Promoter.

9.8. **Quorum.**

Subject to Clause 10, the quorum for all meetings of the Board shall be 3 (three) SGS Directors and the Syrma Director. Subject to Applicable Law, participation of the Directors by video conferencing or by other audio visual or electronic means (as permitted under Applicable Law) shall also be counted for the purpose of constituting valid quorum. The quorum shall be present throughout the meeting.

9.9. **Adjournment of Board Meetings.**

- 9.9.1. In the event that no quorum is present (as required under Clause 9.8 above) within half hour of the appointed time for any meeting of the Board, the meeting shall be adjourned by a period of 15 (fifteen) days, at the same time and venue, or if that day is not a Business Day, to the succeeding Business Day, and the quorum at such adjourned meeting for consideration of matters shall be that prescribed under the Act (and not as per Clause 9.8 above), provided that:

- (a) A Syrma Reserved Matter listed in **Schedule V** (*Reserved Matter*) shall not be taken up at the adjourned Board meeting (or any further adjournment thereof), even if such Syrma Reserved Matter had been specifically set out on the agenda of such original meeting, unless Syrma has granted its/his written confirmation or waived its consent for such Syrma Reserved Matter prior to the adjourned Board meeting; and
- (b) without prejudice to Clause 9.9.1 (a) above, no items may be considered at the adjourned Board meeting which were not specifically set out on the agenda for the meeting which was adjourned. Notwithstanding any provision stated in that agenda for the tabling of discussion regarding or resolution on “other business”, “other matters with the permission of the chairman” or any similar provision, no such other matters shall be tabled or discussed at such adjourned Board meeting.

9.10. **Passing of Resolutions and Voting.**

- 9.10.1. Each Director shall have the right to cast 1 (one) vote. Except for any decisions in relation to the Syrma Reserved Matters, under this Agreement or which expressly require a higher majority under Applicable Law, decisions of the Board shall be made on the basis of a simple majority

vote cast by the Directors entitled to vote at the relevant meeting.

9.10.2. Subject to the Applicable Law, any Director may participate in and vote at a meeting of the Board by means of a video conferencing, similar communications equipment, or other audio visual or electronic means (as permitted under Applicable Law) which allows all Persons participating in the meeting to hear each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means described in the preceding sentence of this Clause 9.10.2, the Company shall ensure that that Director is provided with a copy of all documents referred to during such Board meeting before the commencement of such meeting of Board.

9.11. **Circular Resolutions.**

Subject to the provision of the Act which does not permit certain businesses to be approved by circular resolution, a circular resolution in writing, executed by a majority of the Directors (unless a higher majority is required for that circular resolution under the Act) as are entitled to vote thereon, shall constitute a valid decision of the Board provided that a draft of such resolution was sent to all of the Directors together with a copy of all supporting and necessary papers as may be necessary to vote on such resolution at their usual address by hand delivery or by speed post or registered post or by courier, or through such electronic means including registered email address of the Directors and such other compliance as required under the Act. Where not less than 1/3<sup>rd</sup> (one-third) of the total Directors for the time being require the resolution under circulation to be decided at a meeting, the Chairman shall put that/those resolution(s) for consideration at a meeting of the Board. Notwithstanding anything contrary contained in this Agreement, any resolution concerning any Syrma Reserved Matters may be passed by a circular resolution, and can be acted upon only if such circular resolution has been approved in accordance with the Act provided that the written approval of the Syrma Director is obtained in the case of an Syrma Reserved Matter.

9.12. **Miscellaneous.**

The Chairman of the meeting shall cause minutes of each meeting of the Board to be prepared and share the draft minutes with the Board within 15 (fifteen) calendar days of the meeting. The Directors shall provide comments (if any) on the minutes of the meeting promptly but no later than 7 (seven) calendar days of receipt of the minutes. If no comments are made by a Director within the said 7 (seven) day period, the minutes shall be deemed to be accepted by the relevant Director. All comments made by any Director on the minutes of the meeting shall be recorded in the minutes to the satisfaction of the relevant Director making such comments. The minutes shall be signed as per the provisions of the Act.

9.13. **Nature of Directorship.**

- (i) The Parties expressly agree that the Syrma Director shall be a non-executive director.
- (ii) The Syrma Director shall not be responsible for the day to day management or affairs of the Company;
- (iii) The Syrma Director shall not, at any point in time, be designated / considered to be an 'officer who is in default' for the purposes of any provisions of the Act and / or any other Applicable Law;



- (iv) The Syrma Director shall be entitled to all immunities that a non-executive director is entitled to under Applicable Law; and
  - (v) Unless otherwise specified in writing by Syrma, the Parties shall not identify or designate the Syrma Director with the responsibility of complying with any Applicable Law, including but not limited to, defaults under the Act, Environmental Laws, social laws, laws relating to tax or labour, Anti-Corruption Laws, and all applicable rules / regulations framed thereunder (central or state), or regulations, for and on behalf of the Company, or as occupier of any premises used or occupied by the Company, or as an employer under any Applicable Law.
- 9.14. Syrma shall have a right to nominate an observer on the Board (“**Observer**”), in case Syrma does not appoint a Director on the Board. Such Observer shall be a director, officer or employee of Syrma. The Observer shall attend the Board meetings in a non-voting capacity.
- 9.15. The Observer shall have the right to receive all notices, documents and information provided to the Directors and the Company shall ensure that all such notices, documents and information are provided to the Observer, simultaneous with such information being sent to the Directors. The Observer shall be entitled to attend all meetings of the Board or committees thereof, subject to being bound by the confidentiality obligations as per the provisions of the Clause 27 of this Agreement, which provisions shall *mutatis mutandis* apply.
- 9.16. The Observer shall not be considered for quorum and shall not be entitled to vote with respect to any resolution proposed to be passed at a Board meeting.
- 9.17. All travel and accommodation related costs and expenses of the Observer in relation to participation at Board Meetings shall be borne by Syrma. The Company shall not be required to reimburse such out of pocket expenses incurred by Syrma.
- 9.18. **Qualification Shares**
- A Director (or his/her alternates) shall not be required to hold any qualification Securities in the Company.
- 9.19. **Committees of the Board of the Company**
- 9.19.1. As on the Execution Date, the Board has constituted the Corporate Social Responsibility Committee.
- 9.19.2. The Parties agree that Syrma Director shall be entitled to be a member on each committee of the Board. The Company shall constitute such committees of the Board as may be decided by the Board.
- 9.19.3. The provisions of Clause 9 shall *mutatis mutandis* apply to a meeting of a committee constituted by the Board unless the Board (having obtained prior written consent from the Purchaser) decides different time intervals for meetings of the committees of the Board.
- 9.20. **Conflict between this Agreement and Charter Documents.**
- Notwithstanding anything to the contrary contained in this Agreement, in the event of any conflict, ambiguity or discrepancy between the provisions of this Agreement and the Charter

Documents, the Parties shall ensure that the Charter Documents are amended, to the extent necessary, to remove such conflict, ambiguity or discrepancy.

**9.21. Promoters Reserved Matters**

- 9.21.1 To enable the continuation of the smooth and uninterrupted Business, the SGS Promoters will discuss and decide amongst themselves the matters listed in **Part B of Schedule V** ("**Reserved Matters**") and take such decision regarding their implementation as they deem fit, and shall then make recommendations on these matters to the Board through the Authorised Representative, for the consideration and approval of the Board.
- 9.21.2 The Promoters Reserved Matter shall be discussed, acted upon, implemented or taken up in a Board meeting or circular resolution, only when such Promoters Reserved Matter has the mutual consensus of all the SGS Promoters.
- 9.21.3 For the avoidance of doubt, it is clarified that Promoters Reserved Matters approved by the SGS Promoters will not be binding on the Company unless, subject to the terms and conditions of this Agreement including Clause 10, the Board or the Shareholders, as the case may be, have approved such Promoters Reserved Matter.
- 9.21.4 The Company shall maintain a directors' and officers' liability insurance for all its Directors for an amount of INR 150,000,000 (Rupees one hundred and fifty million).

**10. RESERVED MATTERS**

- 10.1. Notwithstanding anything in this Agreement but subject to Clause 17 (*Fall Away*), no Syrma Reserved Matter with respect to the Company and/or its Subsidiaries shall be discussed, acted upon, implemented or taken up or approved, in any meeting (Board, shareholders, committees or otherwise), forum, circular resolution or in any other manner whatsoever (by the Directors, employees, committees, etc.), without the prior written consent of Syrma. Thereafter, the Syrma Reserved Matter shall only be approved in the following manner:
- 10.2. All Syrma Reserved Matters shall be approved, by a resolution (whether passed at a duly convened and quorate meeting of the Board or by circular resolution or video conferencing or otherwise), by a majority of the Directors (unless a higher majority is required for the resolution under the Act) present and voting at such meeting or in such circular resolution or video conferencing or otherwise subject to the provisions of the Applicable Law and such majority of the Directors (unless a higher majority is required for the resolution under the Act) so present in the meeting of the Board or approving the circular resolution or through video conferencing or otherwise as the case may, shall necessarily include the affirmative written consent/ approval/ assent obtained from Syrma to approve any such Syrma Reserved Matter.
- 10.3. For the avoidance of doubt, it is clarified between the Parties that the Syrma Reserved Matters which are not required to be passed by the Shareholders at a general meeting, as per Applicable Law, shall not be required to be tabled or discussed at any meeting of Shareholders and any resolutions required to be passed on such Syrma Reserved Matters shall solely and exclusively be passed at a duly convened and quorate meeting of the Board, or by way of a circular resolution or video conferencing or otherwise passed by the Board as the case may be, in accordance with and subject to the provisions of this Agreement including Clause 10.2 above.

**10.4. At the Shareholder's Meeting.**

10.4.1. In the event that a Syrma Reserved Matter approved by the Board is required to be approved by the Shareholders at a general meeting as per Applicable Law, such Syrma Reserved Matter shall be passed by way of an ordinary or a special resolution (as specified under the Act), and for constitution of the majority of the Shareholders of the Company passing the ordinary or special resolution of the Company such resolution of the Shareholders of the Company shall include the affirmative written consent/ approval/ assent obtained from Syrma for the Company to act on any such Syrma Reserved Matter.

10.4.2. Notwithstanding anything stated above, Syrma agrees that if it has approved any Syrma Reserved Matter, then it shall not exercise any vote to block the modification of the Charter Documents required to solely give effect to such approved Syrma Reserved Matter.

**11. GENERAL MEETINGS**

11.1. An annual general meeting of the Shareholders shall be held as per the requirements of the Act. Subject to the foregoing, the Board may convene an extraordinary general meeting of the Shareholders whenever they deem appropriate in accordance with the provisions of the Act. Subject to Applicable Law, at least 21 (twenty one) days' prior written notice of every general meeting of Shareholders shall be given to all Shareholders whose names appear on the register of members of the Company. A meeting of the Shareholders may be called by giving shorter notice with the written consent of the Shareholders as required under the Act.

11.2. Notwithstanding anything contained in this Agreement, a resolution relating to any Syrma Reserved Matter (which is required to be passed by the Shareholders at a general meeting, as per Applicable Law) shall be passed at any general meeting of the Company only in accordance with the provisions of Clause 10.4 above.

**11.3. Contents of Notice.**

The notice to Shareholders shall specify the place, date, day and time of the meeting. Every notice convening a meeting of the Shareholders shall set forth in full and sufficient detail the business to be transacted thereat, and no business shall be transacted at such meeting unless the same has been specifically stated in the notice convening the meeting. In compliance with the provisions of Section 102 of the Act, a statement setting out the material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice of general meeting sent to the Shareholders.

**11.4. Quorum.**

11.4.1. A general meeting of the Shareholders shall require a quorum of 5 (five) Shareholders, each of the 4 (four) Shareholders representing a SGS Promoter and a representative of Syrma.

11.4.2. The Parties agree that Shareholders belonging to a SGS Promoter Family shall vote as a bloc (i.e., in the same manner) in a general meeting of the Shareholders.

**11.5. Adjournment of Shareholders' Meetings.**

In the event that no quorum is present within half an hour of the time appointed for holding any meeting of the Shareholders, the meeting shall be adjourned to the same day in the next week

at the same time and place unless all Shareholders agree otherwise in writing and, the quorum at such adjourned meeting for consideration of matters other than Syrma Reserved Matters, shall be that as prescribed under Section 103 of the Act (and not as per Clause 11.4 above) provided that:

- (a) a Syrma Reserved Matter shall not be taken up at the adjourned Shareholder meeting (or any further adjournment thereof), even if such Syrma Reserved Matter had been specifically set out on the agenda for the original meeting which was adjourned unless Syrma has granted its written consent or waived, in writing, its consent for a Syrma Reserved Matter, prior to the meeting of the Shareholders; and
- (b) without prejudice to Clause 11.5 (a) above, no items may be considered at the adjourned meeting which were not specifically set out on the agenda for the meeting which was adjourned.

#### **11.6. Passing of Resolutions and Voting.**

11.6.1. Subject to the provisions of Clause 11 above and Applicable Law,

- (a) the voting at general meeting of the Company shall be by way of poll and not by a show of hands; and
- (b) all resolutions of the Shareholders of the Company, other than resolutions in relation to the Syrma Reserved Matters shall, be adopted in accordance with the Act.

11.6.2. Subject to the Applicable Law, it is agreed that if the Syrma Director or a SGS Director votes in a particular manner in a Board meeting, then Syrma and the SGS Promoter Family of a SGS Director will ensure that its/their respective representatives / proxies also vote in the same manner in a general meeting.

#### **11.7. Proxies.**

The instrument appointing a proxy and the power-of-attorney, board resolution or other authority, if any, under which it is signed or a notarized copy of that power or authority (as permitted in Applicable Law), shall be deposited at the registered office of the Company not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy shall be in the form as prescribed in the rules made under the Act.

#### **11.8. Rights to Extend to Subsidiaries.**

Notwithstanding anything contained in this Agreement to the contrary, all the rights of the Purchaser under this Agreement shall extend to the Subsidiaries of the Company to the extent applicable.

### **12. INFORMATION, ACCOUNTING RECORDS, AUDIT, ACCESS AND KEY EXECUTIVES EMPLOYMENT**

#### **12.1. Information.**

12.1.1. Subject to Clause 17, the Company shall provide to Syrma and each of the SGS Promoters:

- (a) copies of monthly management internal reports within 30 (thirty) days after the end of each month, which will summarize progress against Annual Business Plan / annual budget, including (i) actual vs. forecast financial results; (ii) actual vs. forecast capital expenditures; (iii) progress against business development targets; (iv) reports on key human resource related matters; (v) reports on key compliance, environmental, social and governance related matters and other matters which are important for the governance of the Company (including under the ESA Plan and the applicable ESA Law) as well as noting any significant operational issues faced by the Company; (vi) details such as the orderbook and pipeline of the business, in order to provide a predictive analysis of the business;
- (b) within 120 (one hundred twenty) days of the end of the financial year, audited financial statements for the Company, prepared in accordance with applicable Accounting Standards (including the balance sheets and profit and loss account) of the Company as at the end of such Financial Year and the statements of income, statements of changes in Shareholders' equity and statements of cash flows of the Company for such Financial Year, all in reasonable detail and stating in comparative form the figures as at the end of and for the previous Financial Year;
- (c) within 20 (twenty) days after the end of each fiscal quarter, the unaudited financial statements (including the balance sheets and profit and loss account) of the Company as at the end of such quarter and the related unaudited statements of income, statements of changes in Shareholders' equity and statements of cash flows of the Company for such quarter, all in reasonable detail and stating in comparative form the figures as of the end of and for the comparable periods of the preceding Financial Year and budgeted figures for the period, approved by the chief financial officer of the Company; all such financial statements shall be complete and correct in all material respects and shall be prepared in conformity with applicable Accounting Standards and applied on a consistent basis throughout the periods reflected therein, except as stated therein;
- (d) as soon as available, but in any event within 20 (twenty) days after the end of each month, the management accounts of the Company;
- (e) within 20 (twenty) days after the end of each month, internal monthly MIS, the format of these statements will be decided by the Purchaser with the Company post Closing;
- (f) all the minutes of the meetings of the Board, Shareholders and committees of the Board and the information and documents tabled at such meetings, within 20 (twenty) days from the date of the minutes of such meeting being finalized;
- (g) copies of any management, audit or investigative reports commissioned by the Company, promptly, but in any event within 20 (twenty) days of such reports being available;
- (h) copies of (i) any show cause notices received by the Company from any Governmental Authority; (ii) requisitions from any Governmental Authority for production of any information / documents by the Company; and / or (iii) any filings made by the Company with any Governmental Authority, not being in the Ordinary Course of Business, promptly, but in any event within 20 (twenty) days of receipt of such notices, requisition

and filings; or (iii) all correspondence with any Governmental Authority, within 20 (twenty) days after the end of each fiscal quarter;

- (i) information of any event which could have, or result in, a Material Adverse Effect, and such further explanations thereon as the Purchaser may request, promptly, but in any event within 5 (five) days of the occurrence of such an event;
- (j) notices together with relevant details of any pending and threatened Litigation involving the Company against any Person, and claims against the Company by any Person, promptly, but in any event within 5 (five) days of the occurrence of such an event;
- (k) if any proceedings are initiated by or against the Company under the provisions of the Insolvency and Bankruptcy Code, 2016, including any application filed for the initiation of the corporate insolvency resolution process, promptly, but in any event within 3 (three) Business Days of the knowledge of the occurrence of such proceedings;
- (l) notice of execution or termination of any Contract having a value equal to or greater than INR 1,00,00,000 (Indian Rupees one crore) per annum and not being in the Ordinary Course of Business, promptly, but in any event within 5 (five) days of such notices being sent or received by the Company, unless such information is required to be provided as part of the monthly MIS of the Company under Clause 12.1.1 (e);
- (m) all the customer specific data and other confidential customer information of the Company (subject to maintenance of secrecy and in accordance with the terms of confidentiality agreed with such customer in writing) periodically in a format as mutually agreed between the Parties in writing; and
- (n) notice of appointment, termination and / or resignation of any Key Managerial Personnel of the Company, promptly, but in any event within 5 (five) days of such an event unless such information is required to be provided as part of the monthly MIS of the Company under Clause 12.1.1 (e);

12.1.2. In addition to the right to have the information as provided in Clause 12.1.1, Syrma and the SGS Promoters, will be also entitled to such other information and documents from the Company as may be reasonably requested by Syrma or the SGS Promoters, as the case may be. Further, the Syrma Director shall have access to any and all information that any other directors on the Board is entitled to receive.

12.1.3. For so long as the Purchaser holds 7.5% (seven point five percent) of the Share Capital on an As Converted Basis, the Purchaser shall at all times, by giving a notice of at least 3 (three) Business Days and during normal business hours, be entitled to carry out inspection of the accounts, documents, records, premises, and equipment and all other property of the Company through its authorized representatives and the Company shall provide such information, data, documents and evidence and access to auditors and such employees as may be required for the purpose of and in the course of such inspection.

12.1.4. Notwithstanding the foregoing, the Company shall provide Syrma with copies of internal monthly MIS, unaudited financial statements (including the balance sheets and profit and loss account) on a quarterly basis, and the annual report for every Financial Year, as long as Syrma continues to remain Shareholder in the Company. It is hereby clarified that no customer specific data or other confidential customer information of the Company shall be provided to Syrma if

the aggregate shareholding of Syrma falls below 7.5% (seven point five per cent.) of the shareholding of the Company on an As Converted Basis.

## 12.2. **Auditors.**

12.2.1. M/s BSR & Co. LLP, chartered accountants or any other firm as mutually acceptable to the Board taking into consideration the cost and profitability of the Company shall be the statutory auditors of the Company.

12.2.2. Notwithstanding anything to the contrary in this Agreement, the consolidated audited financial statements (including balance sheet, cash flow statement and profit and loss account) of the Company shall be prepared and certified by the statutory auditors of the Company.

12.2.3. The remuneration of the statutory auditors shall be fixed by the Company in general meeting or in such manner as may be determined therein.

## 12.3. **Accounting principles.**

The financial statements of the Company shall be prepared in accordance with applicable Accounting Standards and the Act and shall also comply with the Accounting Standards notified under the Act. The accounting principles of the Company shall reflect conservative best practices, and the Company shall maintain true books of accounts and records of accounts in which full and correct entries shall be made of all its business transactions pursuant to a system of accounting established and administered in accordance with generally accepted accounting principles in India (GAAP), as applicable from time to time.

## 13. **RIGHT TO SIGN**

(A) any two SGS Directors, jointly, will have a right to execute agreements with banks/financial institutions for and on behalf of the Company (B) every SGS Director will have the right to execute the commercial Contracts, which pertain to the department such SGS Director is heading; and (C) any two SGS Directors, jointly, will have the right to undertake bank operations.

## 14. **RECAPITALISATION**

In the event that the Company proposes to carry out a share split, issue of bonus Securities, consolidation of Securities, or such similar events which may result in dilution of the shareholding of Shareholder ("**Recapitalisation Event**"), then the Company shall forthwith take all necessary steps to ensure that the Shareholders maintain their shareholding with respect to the Securities of the Company, as was the shareholding prior to the occurrence of such Recapitalisation Event, without any dilution to the respective shareholding of all Shareholders as existing prior to such Recapitalisation Event. It is further clarified that any Recapitalisation Event, will be subject to the prior written consent from each of Syrma and each of the SGS Promoters.

## 15. **PRE-EMPTIVE RIGHTS IN RELATION TO ISSUE OF NEW SECURITIES**

15.1. The Company shall not issue Securities ("**Additional Securities**") unless the Company has complied with the provisions of this Clause 15.

- 15.2. Subject to Clause 10 (*Reserved Matters*), in the event the Company decides to issue Additional Securities by way of a rights issue, all the existing Shareholders of the Company shall have a pre-emptive right to participate in such issuance on a pro-rata basis, such that each Shareholder has the opportunity to maintain his/her/its proportionate shareholding in the Company. If an existing Shareholder of the Company chooses not to exercise his/ her/its pre-emptive right to subscribe to the Additional Securities offered by the Company, such right of pre-emption shall be offered to the other existing Shareholders of the Company (“**Second Issue Offer Notice**”) who have exercised their pre-emptive right to subscribe to the Additional Securities to the full extent of their entitlement (“**Participating Shareholders**”) on a *pro rata* basis to their *inter-se* shareholding in the Company. The Participating Shareholders shall have the right to subscribe to their pro rata *inter-se* entitlement to the Unsubscribed Securities within 10 (ten) Business Days of receipt of the Second Issue Offer Notice.
- 15.3. Nothing in this Clause 15 shall apply to any issuance or allotment of Equity Shares pursuant to an employee stock option plan approved in accordance with the terms of this Agreement.

## 16. PROPOSED MERGER

- 16.1. The Syrma Primary Promoters and the SGS Promoters agree and undertake to ensure that Syrma and the Company, respectively, shall lodge the Scheme of Amalgamation for the Proposed Merger in accordance with the provisions of the Framework Agreement.
- 16.2. The Parties agree that in the event that the Merger Effective Date (as defined under the Framework Agreement) does not occur by 30 September 2022 (or such extended date as may be mutually agreed in writing between the SGS Promoters and the Primary Syrma Promoters), then, the Purchaser may require the Company to undertake a buyback of, all of the Securities of the Company held by the Purchaser, and if the Company is unable to undertake the buyback of all or any of the Securities held by the Purchaser under Applicable Law, the Purchaser may require the SGS Promoters to purchase all of the Securities held by the Purchaser, and such buyback by the Company or purchase by the SGS Promoters shall be completed within 6 (six) months from the date the Purchaser exercises such right (in each case referred to as “**Non-Merger Buy Back**”). The Purchaser shall exercise such right of Non-Merger Buy Back within 6 (six) months from 30 September 2022 (or such extended date as may be mutually agreed in writing between the SGS Promoters and the Primary Syrma Promoters) (“**Non-Merger Buy Back Timeline**”). The SGS Promoters shall and shall cause their Affiliates to vote all their Securities to approve and support the Non-Merger Buy Back, and they shall not offer their Securities for buy back in such Non-Merger Buy Back so that the Purchaser can tender and offer all of its Securities in relation to the same. The Non-Merger Buy Back will be exercised at a price equivalent to the price per Security at which the Sale Shares were purchased by the Purchaser on the Closing Date under this Agreement (“**Non-Merger Put Buy Back Price**”). Upon exercise by the Purchaser of its rights under Clause 16.2, the Company and/or the SGS Promoters, as the case may be, shall be under an obligation to buy back/ purchase (as the case may be) such Securities at the Non-Merger Put Buy Back Price. It is further clarified that in the event the SGS Promoters are purchasing the Securities of the Purchaser under this Clause 16.2, then such Securities shall be purchased by the SGS Promoters (including their Affiliates) in their *inter-se* shareholding percentage in the Company on an As Converted Basis and in the event one or more of the SGS Promoters do not purchase their portion of such Securities, the other SGS Promoters will be under an obligation to purchase all of the Securities of the Purchaser within the time period mentioned in this Clause 16.2.



- 16.3. In the event, the Purchaser does not exercise its rights with respect to the Non-Merger Buy Back, as provided under Clause 16.2 above, by the Non-Merger Buy Back Timeline, the Company and/or the SGS Promoters shall have the right (which right shall be exercised no later than 6 months from the expiry of the Non-Merger Buy Back Timeline or such extended date as may be mutually agreed in writing between the SGS Promoters and the Primary Syrma Promoters) to require the Purchaser to sell and Transfer to the Company (by way of buy back) and/or the SGS Promoters all (and not less than all) of the Securities of the Company held by the Purchaser (“**Call Option Securities**”) and such purchase and Transfer by the Company (by way of buy back) and/or the SGS Promoters shall be completed within 6 (six) months from the date the Company and/or the SGS Promoters exercises such right (“**Non-Merger Call Option Right**”). Notwithstanding the Syrma Reserved Matter rights, the Purchaser and the SGS Promoters shall and shall cause their respective Affiliates to vote all their Securities to approve and support the Non-Merger Call Option Right and the SGS Promoters and/or their Affiliates shall not offer their Securities in such buy back, if such right is exercised by the Company, such that all of the Call Option Securities are bought back by the Company. The Non-Merger Call Option Right will be exercised by the Company and/or the SGS Promoters at a price equivalent to the price per Security at which the Sale Shares were purchased by the Purchaser on the Closing Date under this Agreement (“**Non-Merger Call Option Price**”). Upon exercise by the Company and/or the SGS Promoters of its/their rights pursuant to this Clause 16.3, the Company and/or the SGS Promoters shall be under an obligation to buy back or purchase (as the case may be) such Securities at the Non-Merger Call Option Price.
- 16.4. It is clarified that the Non-Merger Put Buy Back Price or Non-Merger Call Option Price (as the case may be) shall be reduced by the actual amount of indemnity payments, if any, made to the Indemnified Party pursuant to Clause 8.5.2 (i) (*Seller Fundamental Warranties*) and 8.5.2 (ii) (*Other Fundamental Warranties save and except Warranties on Factory Owned Properties*) above. The full payment of Non-Merger Put Buy Back Price or Non-Merger Call Option Price, as the case may be, to the Purchaser pursuant to this Clause 16, will fully discharge (i) the Company and/or the SGS Promoters of all their liabilities and obligations towards the Purchaser and/or the Syrma Promoters, and (ii) Syrma and/or the Syrma Promoters of all their liabilities and obligations towards the Company and/or the SGS Promoters.
- 16.5. Upon the exercise of the Non-Merger Buy Back right by the Purchaser and consequently payment of the Non-Merger Put Buy Back Price by the Company and/or the SGS Promoters to the Purchaser pursuant to Clause 16.2 read with Clause 16.4 *or* upon the exercise of the Non-Merger Call Option Right by the Company and/or SGS Promoters and consequently payment of the Non-Merger Call Option Price by the Company and/or the SGS Promoters to the Purchaser pursuant to Clause 16.3 read with Clause 16.4, subject however to Clauses 28.6 and Clause 28.7 (*Non-Compete*), this Agreement shall automatically terminate (including all its surviving provisions) and all the rights and obligations of the Parties shall extinguish and deemed to never have been in force or had any effect. For the avoidance of doubt, it is clarified that in such a case, subject however to Clauses 28.6 and Clause 28.7 (*Non-Compete*), no Party shall have any rights or obligations, whatsoever including any accrued rights or obligations.

## 17. **FALL AWAY**

Notwithstanding anything in this Agreement but subject to Clause 12.1.4, if at any time the shareholding of Syrma in the Company falls below 7.5% on an As Converted Basis, the rights provided to Syrma under the following clauses will fall away and cease to have any effect with respect to Syrma:

- (i) Clause 9.1.2 (*Syrma Director*)
- (ii) Clause 10 (*Reserved Matters*)
- (iii) Clause 12 (*Information, Accounting Records, Audit, Access and Key Executives Employment*)

For avoidance of doubt, it is clarified that the rights generally available to a shareholder holding less than the abovementioned percentages under Applicable Law, shall continue to be applicable to Syrma.

## **18. TRANSFERS OF SHARES**

### **18.1. Restrictions on Transfer.**

- 18.1.1. Any Transfer, sale or other disposal of Securities, or the granting or creation of any Encumbrance over Securities or any rights attached to Securities in breach of this Agreement and/ or Articles of Association and/ or Charter Documents shall be null and *void ab initio*.
- 18.1.2. Syrma shall not Transfer its Securities to any Person including to an Affiliate. It is further clarified that no Transfers or issuances of shares of Syrma, shall be construed as Transfer of Securities hereunder unless such Transfers or issuances entails the shareholders holding majority of the equity shareholding of the Syrma as of the date of this Agreement becoming minority equity shareholders pursuant to such Transfers or issuances.
- 18.1.3. The SGS Promoters and a member(s) of the Promoter Family who is a Shareholder shall be entitled to Transfer the Securities held by them in accordance with Clauses 18.2 to 18.6 of this Agreement.
- 18.1.4. Notwithstanding any provisions to the contrary in this Agreement, at all times, a member of the Promoter Family who is or becomes a Shareholder pursuant to the provisions of this Agreement, shall act together with the relevant SGS Promoter, as a single class, including but not limited to voting on all Shareholder resolutions as a single block (and not severally).

### **18.2. Transfer of Securities by a SGS Promoter with the consent of the remaining SGS Promoters.**

- 18.2.1. Subject to the unanimous consent of the other SGS Promoters, a SGS Promoter shall be free to Transfer, either in whole or in part, the Securities held by him in the Company to a member of the Promoter Family of the respective SGS Promoter.
- 18.2.2. The SGS Promoter who Transfers his Securities under Clause 18.2, shall procure that the transferee enters into a Deed of Adherence, with the other Parties to this Agreement to be bound by the terms and conditions of this Agreement as if it were a party hereto.

### **18.3. Transfer of Securities by SGS Promoter to other SGS Promoters.**

A SGS Promoter (“**Selling Shareholder**”) shall be allowed to Transfer part or all of his shareholding (along with the shareholding held by the Promoter Family of such SGS Promoter) in the Company to the other SGS Promoter, subject to the following:

- (i) The Selling Shareholder will require the approval of the remaining SGS Promoters to Transfer Securities under this Clause 18.3;

- (ii) The Selling Shareholder shall forthwith, through a written notice offer the Securities held by the Selling Shareholder and the respective Promoter Family (“**Offered Securities**”) to the remaining SGS Promoters on a *pro rata* basis on their *inter se* shareholding in the Company (“**Offer**”).
- (iii) The Offer shall set forth in detail the proposed sale price, (“**Offer Price**”), a representation that the Offered Securities are free of any Encumbrances and a confirmation that the Selling Shareholder is willing to provide appropriate representations, warranties and indemnities pertaining to authority, capacity and title to the Offered Securities, and, to the extent required, tax obligations, if any.
- (iv) If a SGS Promoter (other than the Selling Shareholder) (“**SGS Recipient**”) is desirous of purchasing all (and not less than all) his entitlement of the Offered Securities, such SGS Recipient shall communicate his intention to purchase such Offered Securities by serving a notice on the Selling Shareholder (“**Exercise Notice**”) and the other SGS Recipients, within 30 (thirty) Business Days of receipt of the Offer (“**Offer Period**”).
- (v) If the SGS Recipient(s) delivers an Exercise Notice, the purchase of the Offered Securities by SGS Recipient shall be subject to Applicable Law and receipt of relevant governmental Approvals (if required). The completion of the sale and purchase of the Offered Securities by such SGS Recipient and the Selling Shareholder shall take place within 45 (forty five) Business Days from the date of issue of the Exercise Notice, or such other date as may be agreed between the Selling Shareholder and the relevant SGS Recipient(s) who have issued the Exercise Notice.
- (vi) If a SGS Recipient is not desirous of accepting the Offer, he shall communicate his decision to the Selling Shareholder and to the other SGS Recipients, if any, who has not issued the Exercise Notice (“**Remaining Recipients**”). The Remaining Recipient(s) shall have the right (and not the obligation) to purchase Offered Securities rejected by the SGS Recipient (“**Remaining Securities**”) on a *pro rata* basis of their *inter se* shareholding in the Company. If a Remaining Recipient is desirous of purchasing his entitlement of the Remaining Securities pursuant to this Clause 18.3(vi), the procedure set out in relation to the purchase of Offered Securities in Clause 18.3(v) shall *mutatis mutandis* apply. If a Remaining Recipient rejects the offer under this Clause 18.3(vi), the Remaining Recipient, if any, who has accepted the Offer under Clause 18.3(vi) shall have the right (and not the obligation) to purchase such Remaining Securities and the procedure set out in relation to the purchase of Offered Securities in Clause 18.3(v) shall *mutatis mutandis* apply.

**18.4. Transfer of a SGS Promoter’s Securities upon death or mental or permanent physical disability of the SGS Promoter.**

18.4.1. The SGS Promoter may nominate any Person(s), being an individual living member of his Promoter Family in accordance with the Section 72 of the Act, in whom the Securities shall vest in the event of the death of the SGS Promoter.

18.4.2. Each of the SGS Promoter agrees that he will ensure that his testamentary will shall be in line with the nomination(s) submitted by him with the Company and that the testamentary will shall and not contradict his nomination under Section 72 of the Act. Each Party agrees that in case

there is any contradiction between a nomination submitted by a SGS Promoter under Section 72 of the Act and his testamentary will, the nomination under Section 72 will prevail.

- 18.4.3. Each SGS Promoter agrees that if the SGS Promoter dies intestate i.e., without a testamentary will, the Securities held by the SGS Promoter shall devolve as per the nominations submitted by the SGS Promoter to the Company under Section 72 of the Act.
- 18.4.4. In the event any SGS Promoter becomes mentally or permanently physically disabled, the Securities held by such Person will devolve on the spouse or the child, nominated by the spouse of the SGS Promoter.
- 18.4.5. The Person(s) who will hold the Securities held by a SGS Promoter upon the unlikely death of the SGS Promoter or mental disability or permanent physical disability, will be required to execute a Deed of Adherence, with the other Parties to this Agreement to be bound by the terms and conditions of this Agreement as if he/she were a party hereto, and to do all in its power to ensure that the Company complies with its obligations under this Agreement.

18.5. **Transfer of Securities by a Shareholder other than a SGS Promoter.**

A Shareholder being a member of the Promoter Family of a SGS Promoter shall be permitted to Transfer the Securities held by him/her, to a Person, being an individual living member from the respective Promoter Family, with the prior written consent of the other SGS Promoters.

- 18.6. Other than as permitted under this Clause 18, none of the SGS Promoters or their permitted transferees under this Clause 18 shall be entitled to transfer the Securities held by them to any other Person.

**19. INDEMNITY TO DIRECTORS**

The Company shall indemnify, defend and hold harmless the Directors (the “**Indemnitee**”) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director of the Company, to the fullest extent permitted by Applicable Law, from and against all reasonable expenses and costs (including, without limitation, reasonable attorneys’ fees, experts’ fees, court costs, retainers, transcript fees, duplicating, printing and binding costs, as well as telecommunications, postage and courier charges) (the “**Expenses**”), damages, judgments, fines, penalties, excise taxes and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, damages, judgments, fines, penalties, excise taxes or amounts paid in settlement, provided that the settlement is for a monetary claim), actually incurred by him or her in connection with such action, suit or proceeding (the “**Indemnifiable Amounts**”). Additionally, the Company agrees that:

- (i) if requested by the Indemnitee, the Company shall pay any and all Expenses incurred by the Indemnitee, either by (i) paying such Expenses on behalf of the Indemnitee, or (ii) reimbursing the Indemnitee for such Expenses;
- (ii) if the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses or other Indemnifiable Amounts in respect of a claim but not, however, for the total amount thereof, the Company shall indemnify the Indemnitee for the portion thereof to which the Indemnitee is entitled; and

- (iii) the rights of the Indemnitee hereunder shall be in addition to any other rights the Indemnitee may have under the Articles or otherwise. To the extent that a change in Applicable Law permits greater indemnification by agreement than would be afforded currently under the Articles, it is the intent of the Parties hereto that the Indemnitee shall enjoy by this Agreement, the greater benefits so afforded by such change.

## **20. EFFECTIVE DATE AND TERMINATION**

20.1. Except Clauses 9 to 19, 20.3, 21 to 25, and the Schedules relevant to these Clauses, which shall come into effect on the Closing Date, this Agreement shall come into effect on the Execution Date.

### **20.2. Termination prior to Closing:**

20.2.1. This Agreement may be terminated prior to the Closing as follows:

- (a) upon the mutual written agreement of the Purchaser and the SGS Promoters; or
- (b) by the Purchaser (if the Purchaser is not in material breach of the Purchaser Warranties), upon written notice to the SGS Promoters, if there has been material inaccuracy of any Warranties under Clause 6, by the SGS Promoters and/or the Company and such violation, breach or inaccuracy has not been waived by the Purchaser or cured by the SGS Promoters or the Company (as the case may be) within 5 (five) Business Days after receipt by the SGS Promoters or the Company, as the case may be, of written notice thereof from the Purchaser, or is not reasonably capable of being cured prior to the Long Stop Date; or
- (c) by the SGS Promoters (if the SGS Promoters and/or the Company are/is not in material breach of the Warranties), if there has been material inaccuracy of any Warranties under Clause 6, and such violation, breach or inaccuracy has not been waived by the SGS Promoters or cured by the Purchaser within 5 (five) Business Days after receipt by the Purchaser, of written notice thereof from the SGS Promoters or the Company, or is not reasonably capable of being cured prior to the Long Stop Date; or
- (d) If the Closing does not occur on or prior to the Long Stop Date.

20.2.2. This Agreement, if terminated prior to the Closing will forthwith become null and void, and, there will be no liability or obligation on the part of any Party.

20.2.3. Notwithstanding anything provided in this Agreement, if this Agreement is terminated in accordance with Clause 20.2.1, it shall cease to be of any force and effect, except for the provisions of Clause 20.2, Clause 1 (*Definitions*) as necessary for the purposes of the Clauses referred to in Clause 20.2, Clause 26 (*Cost & Expenses*), Clause 27 (*Confidentiality and Announcements*), Clause 31 (*Notices*) and Clause 40 (*Dispute Resolution*), which shall survive the termination of this Agreement.

### **20.3. Termination post Closing.**

20.3.1. Post Closing, this Agreement, shall terminate:

- (a) automatically with respect to a Shareholder, upon such Shareholder and its Affiliates (if

- applicable) ceasing to hold any Securities in the Company; or
- (b) by mutual written agreement of all Parties; or
- (c) upon the Proposed Merger becoming effective and the Syrma Post Merger SHA becoming effective in accordance with its terms; or
- (d) pursuant to Clause 16.5.

20.3.2. Subject to Clause 16.5, Clause 20.3.1 shall not affect the rights or obligations of any Party which have accrued prior to termination.

20.3.3. Notwithstanding any other provision of this Agreement, if this Agreement is terminated pursuant to Clause 20.3.1 (a), (b) (it being clarified that if the termination occurs pursuant to Clause 20.3.1(b), then the clauses that will survive will be mutually agreed between the Parties in writing), or (c), the provisions of Clause 20.3, Clause 1 (*Definitions*) as necessary for the purposes of the Clauses referred to in Clause 20.3, Clause 6 (*Representations and Warranties*), Clause 8 (*Indemnification*), Clause 26 (*Cost & Expenses*), Clause 27 (*Confidentiality and Announcements*), Clause 28 (*Non-Compete*) (it being clarified that Clause 28 (*Non-Compete*) will survive subject to and in accordance with the provisions provided therein (i) if the termination is effected pursuant to 20.3.1 (a); and (ii) if termination occurs pursuant to Clause 20.3.1(b), then in the manner mutually agreed between the Parties in writing), Clause 31 (*Notices*) and Clause 40 (*Dispute Resolution*), shall survive the termination of this Agreement. It is further clarified that if this Agreement is terminated pursuant to Clause 20.3.1 (d), the provisions of Clause 28.6 and 28.7 (*Non-Compete*) shall survive the termination of this Agreement in accordance with the terms of such Clauses 28.6 and 28.7(*Non-Compete*).

## 21. EVENT OF DEFAULT *INTER SE* THE SGS PROMOTERS

21.1. Each of the following is an “Inter Se SGS Promoters Event of Default”:

- (a) breach of Clause 28 (*Non-Compete*) by any of the SGS Promoter; or
- (b) if an Act of Insolvency occurs with respect to any of the SGS Promoters.

21.2. Without prejudice to other rights available to a non-defaulting SGS Promoter, if an event as set out in Clause 21.1 occurs, the non-defaulting SGS Promoters (for the avoidance of doubt it is hereby clarified that neither Syrma nor Syrma Promoters shall have any rights under Clause 21, as the rights under Clause 21 are only *inter-se* the SGS Promoters) shall send a written notice (“**Default Notice**”) to the defaulting SGS Promoter (“**Defaulting SGS Promoter**”) notifying of the breach and requesting the Defaulting SGS Promoter to remedy such breach, within 30 (thirty) Business Days of the non-defaulting SGS Promoters becoming aware of any such event. If the Defaulting SGS Promoter does not remedy the breach notified to him in the Default Notice within 60 (sixty) days of receipt of such Default Notice (the “**Remedy Period**”), then the non-defaulting SGS Promoters may at their sole option, by delivering a written notice to the Defaulting SGS Promoter (a “**Default Termination Notice**”) require the Defaulting SGS Promoter to sell the Securities held by the Defaulting SGS Promoter and the Promoter Family of such Defaulting SGS Promoter, to the non-defaulting SGS Promoters in proportion to their *inter-se* shareholding in the Company at a discount of 50% (fifty percent) of the fair market value of the Securities. Such sale of Securities by the SGS Promoter and the member of the Promoter Family of such SGS Promoter shall get completed within 120 (one hundred and twenty) days from the issuance of the Default Termination Notice. The valuation of the

Securities of the Defaulting Promoter for the purposes of this Clause 21.2 shall be undertaken by a valuer nominated by the non-defaulting SGS Promoters, whose report and decision shall be final and binding.

- 21.3. Upon issuance of the Default Termination Notice, the voting rights on the Securities held by such Defaulting SGS Promoter will be automatically suspended without any further action in this regard and the office of Director such SGS Promoter and/ or his nominee on the Board shall automatically stand vacated.
- 21.4. This Agreement shall automatically terminate with respect to a SGS Promoter when such SGS Promoter (along with the Promoter Family of such SGS Promoter) ceases to hold any Security in the Company.

## **22. EVENT OF DEFAULT OF THE COMPANY AND OTHER PARTIES**

- 22.1. An event of default in relation to the Company and/or SGS Promoters hereto (“**Company Defaulting Party**”) shall occur in any of the following cases:
- 22.1.1. any material breach or material default of clause 24 (*Environmental and Social Action Plan*) of this Agreement, ESA Laws or the ESA Plan which results in, a Material Adverse Effect;
- 22.1.2. any material breach or material default of any of the provisions contained in clauses 9.1.2 (*in relation to Syrma Director*), 10 (*Reserved Matters*), 18.1 (*Transfer of Securities by SGS Promoters*) and 25 (*Anti-Corruption Laws*) of this Agreement; or
- 22.1.3. upon a conviction by a court of competent jurisdiction which has: (i) not been stayed by the applicable High Court or the Supreme Court of India; or (ii) been upheld by the applicable High Court of competent jurisdiction for any act of fraud, gross negligence or any other serious criminal offence of moral turpitude, against any of the SGS Promoters which results in a Material Adverse Effect.

Each a “**Company Event of Default**”.

- 22.2. An event of default in relation to Syrma and/or Primary Syrma Promoters (“**Syrma Defaulting Party**”) shall occur in the following case:
- (i) upon a conviction by a court of competent jurisdiction which has: (i) not been stayed by the applicable High Court or the Supreme Court of India; or (ii) been upheld by the applicable High Court of competent jurisdiction for any act of fraud, gross negligence or any other serious criminal offence of moral turpitude, against the Primary Syrma Promoters which results in a Material Adverse Effect; or
- (ii) Material breach of Clause 7.2 and Clause 7.3 (*merger standstill provisions*) of the Agreement;

Each a (“**Syrma Event of Default**”).

- 22.3. Upon the occurrence of a Company Event of Default, the Purchaser may immediately, by a written notice (the “**Company Default Notice**”), require the Company and the SGS Promoters to remedy the Company Events of Default to the satisfaction of the Purchaser within 6 (six) months from the date of the Company Default Notice (each such period, the “**Company Cure Period**”).

- 22.4. If a Company Event of Default is continuing and remains unremedied after the expiry of the Company Cure Period in accordance with Clause 22.3 above, then the Purchaser may, in its sole discretion and option, exercise the following remedies (i) cause the Company to undertake a buyback of all of the Securities held by Syrma and such buyback shall be completed within 3 (three) months from the date the Purchaser exercises such right; and (ii) if the Company does not undertake a buyback for any reason whatsoever in accordance with the provisions of this clause 22.4(i) and within the timelines mentioned above, the Purchaser may require the SGS Promoters to purchase all of the Securities held by them in the Company. The SGS Promoters may acquire such Securities either by themselves or through their nominees; such purchase shall be completed within 3 (three) months from the date on which the Purchaser exercise its right to require the SGS Promoters to purchase all of their Securities in accordance with this clause 22.4(ii); each of clause 22.4(i) and clause 22.4(ii) shall be referred to as “Put Option”, and will be exercised at a price equivalent to the price per Security at which the Sale Shares were purchased by the Purchaser under this Agreement (“**Put Price**”). The Company and/or the SGS Promoters, as the case may be, shall be under an obligation to purchase such Securities at the Put Price. It is clarified that the obligation of the SGS Promoters, if applicable, to purchase the Securities held by the Purchaser upon exercise of the Put Option as mentioned above shall be on a joint and several basis.
- 22.5. Upon the occurrence of a Syrma Event of Default, the Company and/or the SGS Promoters may immediately, by a written notice (the “**Syrma Default Notice**”), require Syrma and the Primary Syrma Promoters to remedy the Syrma Events of Default to the satisfaction of the Company and the SGS Promoters within 6 (six) months from the date of the Syrma Default Notice (each such period, the “**Syrma Cure Period**”).
- 22.6. If a Syrma Event of Default is continuing and remains unremedied after the expiry of the Syrma Cure Period in accordance with clause 22.5 above, then, the SGS Promoters may, in its sole discretion and option, purchase directly and/ or require the Company to purchase, all the Securities held by the Purchaser (“**Call Option**”), at the Put Price (“**Call Price**”). It is clarified that Syrma shall be under an obligation to sell, and the Primary Syrma Promoters shall cause Syrma to sell and/or tender, all its Securities in the Company to the SGS Promoters and/or the Company, if the SGS Promoters exercise their right under this Clause 22.6. Such Call Option shall be completed within 6 (six) months from the date of expiry of the Syrma Cure Period.
- 22.7. Syrma shall be required to make fundamental representations and warranties (with respect to clear title without Encumbrances) in relation to the Securities held by Syrma and being transferred under Clause 22.
- 22.7.1. The rights of a non defaulting party pursuant to this Clause 22 shall be in addition to and not exclusive of, and shall be without prejudice to, any other rights and remedies available to such non defaulting party at equity or law including the right to seek specific performance, rescission, restitution or other injunctive relief, in each case, in relation to any breach (material or otherwise) under this Agreement, none of which rights or remedies shall be affected or diminished thereby.

## 23. COVENANTS

- 23.1. The Company agrees, undertakes and covenants to, comply with, on an ongoing basis, each of the compliance requirements as set out in Error! Reference source not found.



## 24. ENVIRONMENTAL AND SOCIAL ACTION PLAN

- 24.1. The Company shall implement and comply with the ESA Plan as set out in **Schedule XIV (ESA Plan)**, and undertake the Business of the Company in material compliance with the applicable ESA Law.
- 24.2. The compliance with the ESA Plan and the applicable ESA Law shall be reviewed by a third party service provider on an annual basis, approved by the Purchaser. The Company will also be subject to an environmental social governance audit on an annual basis thereafter (at any time, in each Financial Year), conducted by an independent auditor or an audit agency, approved by the Purchaser, in a form and manner satisfactory to the Purchaser.
- 24.3. Based on the findings of such third party service provider and / or the independent auditor / auditor agency, as the case may be, the ESA Plan shall be revised in a form and manner mutually agreed to by the Parties, if and to the extent deemed necessary by such third party service provider or the independent auditor / auditor agency, as the case may be, and the Company shall implement and comply with such revised ESA Plan, from time to time.
- 24.4. The Company shall notify the Purchaser, promptly and in any case within a maximum of 24 (twenty four) hours after becoming aware of the occurrence, of any social, labour, health and safety, security and / or environmental incident, accident or circumstance having, or which could reasonably be expected to have, any materially adverse (a) social, labour, health and safety, security and / or environmental impact; and / or (b) impact on the implementation or operation of the Business in compliance with the ESA Plan and / or the applicable ESA Law, specifying in each case (i) the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom; and (ii) the measures that are taken and / or will be taken by the Company to address these issues and to prevent any similar event in the future (the **Safety Measures**). The Company is obliged to keep Syrma informed of the ongoing implementation of the Safety Measures. The Company shall, at all times, comply with the provisions of the ESA Plan and subject to clauses 24.1 – 24.3, undertake, on an annual basis, an external audit in respect of the issues identified pursuant to the adoption and implementation of the ESA Plan by the Company.
- 24.5. The Chief EHS Officer, as required to be appointed by the Company in as approved by the Purchaser, shall be responsible to ensure that, at all times, the Company:
- (a) is in compliance with Applicable Laws relating to the environment, health and safety, human resources and labour;
  - (b) has obtained all approvals required under Applicable Laws referred to in clause 24.5(a) and that such approvals are renewed from time to time and that the Company is in compliance with the terms and conditions of such approvals;
  - (c) is in compliance with this clause 24; and
  - (d) promptly undertakes the necessary corrective actions in the event of any non-compliance with Applicable Laws referred to in this clause 24.5, as identified by the Company, the Governmental Authority or any other Person.

## 25. ANTI-CORRUPTION LAWS

- 25.1. The Company shall comply with the Anti-Corruption Laws and shall implement all actions set out in the appropriate compliance framework mutually agreed between the Parties (the **ABC Framework**) within the time-frames set out thereunder and report to the Purchaser on progress under the ABC Framework.
- 25.2. The Board of the Company shall:
- (a) oversee implementation of the ABC Framework;
  - (b) receive quarterly reporting from management on implementation of the ABC Framework across the Company; and
  - (c) appoint consultants to investigate breaches of the ABC Framework at corporate and project levels.
- 25.3. The Company shall appoint a senior operational officer, or other appropriate personnel satisfactory to the Purchaser to be responsible for the implementation of the ABC Framework (the **ABC Co-ordinator**), who shall report to the Board.

It is clarified that Syrma shall not exercise its rights under Clause 25 without the concurrence of GEF.

## 26. COSTS AND EXPENSES

- 26.1. The Parties mutually agree and undertake that the costs, fees and expenses incurred by the Parties towards expenses relating to legal, financial, tax, technical and commercial due diligence, documentation charges and charges towards drafting and finalization of this Agreement and the relevant Transaction Documents shall be borne by the Parties in the manner set out in **Schedule XVII** (*Cost-Sharing Arrangements*) of this Agreement.
- 26.2. All stamp duties payable in respect of this Agreement and in connection with the sale of Sale Shares to the Purchaser and all costs and expenses to be incurred by the Company in connection with the fulfilment of any Conditions Precedent, shall be borne by the Company and the SGS Promoters (with respect to the sale of the Sale shares).

## 27. CONFIDENTIALITY AND ANNOUNCEMENTS

### 27.1. Confidentiality obligation.

- 27.1.1. Subject to the provisions of Clause 27.2, each Party (the “**Receiving Party**”) agrees with the other Parties that it will keep confidential and shall not disclose to any third party any information (“**Confidential Information**”) which it holds or receives relating to:
- (a) the negotiation and contents of this Agreement and other Transaction Documents;
  - (b) (with respect to Syrma and the Syrma Promoters being the Receiving Party and their confidentiality obligations under this Clause 27.1.1) the Business and affairs of the Company and any information pertaining to the SGS Promoters;
  - (c) (with respect to the Company and the SGS Promoters being the Receiving Party and their

confidentiality obligations under this Clause 27.1.1) the business and affairs of Syrma and any information pertaining to the Syrma Promoters; or

- (d) any other information, which does not fall within the ambit of Clause 27.1.1 and is marked 'confidential' by the relevant Party.

27.1.2. For the purposes of this Clause 27, keep confidential includes, on the part of each Party, limiting the disclosure of Confidential Information to those of its employees, as appropriate, that are involved in senior management of the Company or Syrma or are directly involved in the transactions contemplated under the Transaction Documents and who have a genuine need to know such Confidential Information for or in connection with the performance of this Agreement. Such employees shall be bound by confidentiality obligations which shall have equivalent confidentiality obligations to those prescribed in this Agreement.

27.1.3. Each of the Parties undertakes to the other Parties that it will not, and will procure that its permitted recipients will not, during the period of this Agreement and after its termination (for whatever reason) use or divulge to any Person, or publish or disclose or permit to be published or disclosed, any Confidential Information relating to any of the other Parties which it has received or obtained, or may receive or obtain.

27.1.4. Each Party must make every reasonable effort to prevent the misuse or unauthorized disclosure of Confidential Information.

**27.2. Exceptions.**

Notwithstanding the provisions of Clause 27.1, each Receiving Party may disclose Confidential Information:

- (a) to the extent to which it is required to be disclosed pursuant to Applicable Law or action by any Governmental Authority or other similar requirements provided that wherever reasonably practicable, prior notice of such disclosure shall be made by the Receiving Party to the other Parties;
- (b) to the extent that the Confidential Information is publicly available (other than as the result of a breach by the Receiving Party of its confidentiality obligation under Clause 27.1);
- (c) to its professional advisers including legal, financial and tax advisers and auditors but only to the extent necessary subject to such advisers accepting an equivalent confidentiality obligation to that extent set out in this Clause 27;
- (d) to the extent the Receiving Party received written consent to such disclosure from the relevant Party from whom it received such Confidential Information and from the Party to which that Confidential Information relates;
- (e) to the extent such Confidential Information was developed/obtained independently by the Parties;
- (f) to the extent such Confidential Information was known to the Party prior to its disclosure by the disclosing Party; and

- (g) to the extent that it is or has been made available to a Party by one or more persons not subject to a binding non-disclosure/confidentiality agreement.

**27.3. Announcements.**

No Party shall make or permit any Person connected with it (including any Affiliate or in case of Syrma, its shareholders) to make any announcement concerning this Agreement or any ancillary matter before, on or after Execution Date except with prior written consent of the other Parties or as required by Applicable Law or any relevant authority.

**28. NON-COMPETE**

**Restrictions on the Company and the SGS Promoters**

28.1. The SGS Promoters (except SN) covenant with the Company, Syrma and the Syrma Promoters that they shall devote their working time, effort and attention to the Business.

28.2. Subject to Clause 28.5, each of the Company and the SGS Promoters covenants (and they shall cause their Relatives and Affiliates to covenant that) that the Company shall be the exclusive vehicle/entity through which the Business shall be conducted and undertaken and that they (and their Relatives and Affiliates) shall not, directly or indirectly, in any manner whatsoever, engage, undertake, be concerned with or conduct, the Business or any part of it outside of the Company including:

- (a) by engaging in any activities that could be in competition, directly or indirectly, with the Business; or
- (b) having any financial interest or being concerned in any business as a shareholder, director, officer or employee, partner, lender, guarantor or adviser of or consultant to, or in any executive capacity with, a Person that, directly or indirectly, engages or competes with the Business, provided however, a Person shall not be deemed to have any direct or indirect financial interest in a publicly traded company where such Person's interest in such publicly traded company is limited only to the extent of passively holding less than 2% (two percent) of the shareholding of that company on a As Converted Basis; or
- (c) soliciting any employee of the Company to leave his or her employment, induce or attempt to induce any such employee to terminate or breach his or her employment agreement with the Company, or themselves hire or engage any employee of the Company in any other manner; or
- (d) soliciting, causing or knowingly encouraging any of the then existing customers/clients of the Company to cease doing business in whole or in part with the Company, or solicit, cause or knowingly encourage any of the then existing customers/clients of the Company to do business with any other Person other than the Company, or themselves (other than through the Company) deal with such customers/clients.

**Restrictions on Syrma and Syrma Promoters**

28.3. ST covenants to the Company, the SGS Promoters and Syrma that he shall devote substantial professional time, effort and attention to the Syrma Business.

- 28.4. Subject to Clause 28.5, each of Syrma and the Primary Syrma Promoters covenants (and they shall cause their Relatives and Affiliates to covenant that) that Syrma shall be the exclusive vehicle/entity through which the Syrma Business shall be conducted and undertaken and that they (and their Relatives and Affiliates) shall not, directly or indirectly, in any manner whatsoever, engage, undertake, be concerned with or conduct, the Syrma Business or any part of it outside of Syrma including:
- (a) by engaging in any activities that could be in competition, directly or indirectly, with the Syrma Business; or
  - (b) having any financial interest or being concerned in any business as a shareholder, director, officer or employee, partner, lender, guarantor or adviser of or consultant to, or in any executive capacity with, a Person that, directly or indirectly, engages or competes with the Syrma Business, provided however, a Person shall not be deemed to have any direct or indirect financial interest in a publicly traded company where such Person's interest in such publicly traded company is limited only to the extent of passively holding less than 2% (two percent) of the shareholding of that company on a As Converted Basis; or
  - (c) soliciting any employee of Syrma to leave his or her employment, induce or attempt to induce any such employee to terminate or breach his or her employment agreement with Syrma, or themselves hire or engage any employee of Syrma in any other manner; or
  - (d) soliciting, causing or knowingly encouraging any of the then existing customers/clients of Syrma to cease doing business in whole or in part with Syrma, or solicit, cause or knowingly encourage any of the then existing customers/clients of Syrma to do business with any other Person other than Syrma, or themselves (other than through Syrma) deal with such customers/clients.
- 28.5. The Parties agree and acknowledge that the Company and Syrma are already engaged in the Business and will continue to do so (i.e., the Company is undertaking the Business and Syrma is also undertaking the Business, as the Business forms part of the Syrma Business). In view of this, the Parties have agreed that:
- 28.5.1 to the extent referred to in (a) and (b) below, the Company and the SGS Promoters, shall not (and they shall cause their Relatives and Affiliates to not) compete with Syrma and the Syrma Promoters in relation to the Business:
- (a) solicit any employee of Syrma to leave his or her employment, induce or attempt to induce any such employee to terminate or breach his or her employment agreement with Syrma, or themselves hire or engage any employee of Syrma in any other manner; or
  - (b) subject to clause 28.5.3, solicit, cause or knowingly encourage any of the existing customers/clients of Syrma to cease doing business in whole or in part with Syrma, or solicit, cause or knowingly encourage any of the existing and/or new customers/clients of Syrma to do business with any other Person other than Syrma, or themselves deal with such customers/clients.
- 28.5.2 to the extent referred to in (a) and (b) below, Syrma and the Primary Syrma Promoters,

shall not (and they shall cause their Relatives and Affiliates to not) compete with the Company and the SGS Promoters in relation to the Business:

- (a) solicit any employee of the Company to leave his or her employment, induce or attempt to induce any such employee to terminate or breach his or her employment agreement with the Company, or themselves hire or engage any employee of the Company in any other manner; or
- (b) subject to clause 28.5.3, solicit, cause or knowingly encourage any of the existing customers/clients of the Company to cease doing business in whole or in part with the Company, or solicit, cause or knowingly encourage any of the existing and/or new customers/clients of the Company to do business with any other Person other than the Company, or themselves deal with such customers/clients.

28.5.3 Specifically in the case of new customers/clients which have approached or invited both the Company and Syrma (whether through open or private bids or otherwise) with respect to the Business, while each of Syrma and the Company shall have the right to independently pursue / approach/ enter into business with such new customers/clients, however they shall have prior consultation with each other in this regard, unless otherwise agreed to in writing between the Company and Syrma.

- 28.6. The restrictions in Clause 28 (save and except Clause 28.5.3 in relation to prior consultation) with respect to a Shareholder (which term shall mean (i) Syrma, the Primary Syrma Promoters and/ or their Relatives and Affiliates, or (ii) a SGS Promoter and/ or his Relatives and Affiliates, as the case may be) shall continue to apply on that Shareholder until the expiry of a period of 2 (two) years from the date that Shareholder ceases to hold Securities. It is clarified that since the Primary Syrma Promoters and/or their Relatives and Affiliates are not holding any Securities, therefore, the restrictions in Clause 28 shall continue to apply on them until the expiry of 2 (two) years from the date Syrma ceases to hold Securities. It is further clarified that the restrictions in Clause 28 in relation to the Company and/or its Affiliates shall continue to apply on the Company and/or its Affiliates until the expiry of a period of 2 (two) years from the date Syrma ceases to hold Securities.
- 28.7. Without prejudice to the provisions of Clauses 28.2, 28.5 and 28.10, the Parties agree and covenant that the Company and the SGS Promoters (including their Relatives and Affiliates) shall not engage in any business (i) (whether directly or indirectly) by themselves that, or (ii) as a shareholder, director, officer or employee, partner, lender, guarantor or adviser of or consultant to, or in any executive capacity with or have any financial interest in a Person that, directly or indirectly, engages in, or competes with that portion of the Syrma Business (including the business of radio frequency identification tags, high performance magnets, transformers, DC motors, disk drives, fibre optic assemblies, memory modules, power supplies / adapters) which is other than the Business (for the avoidance of doubt, it is hereby clarified, that this restriction shall not apply to that portion of the business which forms part of the Business), provided however, a Person shall not be deemed to have any direct or indirect financial interest in a publicly traded company where such Person's interest in such publicly traded company is limited only to the extent of passively holding less than 2% (two percent) of the shareholding of that company on a As Converted Basis. It is further clarified that the restrictions in this Clause 28.7 in relation to the Company (and its Affiliates) shall continue to apply on them until the expiry of a period of 2 (two) years from 30 September 2022 or such

extended date as may be mutually agreed in writing between the SGS Promoters and the Primary Syrma Promoters, whichever is later. The restrictions in this Clause 28.7 with respect to a SGS Promoter (including his Relatives and Affiliates) shall continue to apply on them until the earlier of: (x) the expiry of a period of 2 (two) years from the date that such SGS Promoter ceases to hold Securities, or (y) the expiry of a period of 2 (two) years from 30 September 2022 or such extended date as may be mutually agreed in writing between the SGS Promoters and the Primary Syrma Promoters (whichever is later in case of (y)), as applicable.

- 28.8. The SGS Promoters, Company, Syrma and Syrma Promoters acknowledge and agree that:
- (a) the duration and scope of the undertakings in Clause 28 are reasonable under the circumstances in which they have been given;
  - (b) such undertakings are material for the willingness of the Parties to enter into the transactions contemplated under the Transaction Documents and that the SGS Promoters and Syrma Promoters stand to benefit from the transactions contemplated under the Transaction Documents; and
  - (c) if any provision of Clause 28 shall be determined by any court of competent jurisdiction to be unenforceable for any reason whatsoever, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by Applicable Law.
- 28.9. The SGS Promoters, Company, Syrma and Syrma Promoters expressly waive any right to assert inadequacy of consideration as a defence to the enforcement of the covenants set forth in Clause 28.
- 28.10. It is clarified that any engagement or involvement of the SGS Promoters and/or their employees in the operations and business of Syrma, including being members of the Operational Committee, as and when constituted, which is pursuant to and in accordance with the Transaction Documents shall not be considered to be a breach of the provisions of Clause 28. Similarly, it is clarified that Syrma's holding of Equity Shares in the Company, and the engagement or involvement of Syrma, the Syrma Promoters and / or their employees in the operations and business of the Company, including being members of the Operational Committee, as and when constituted, shall not be considered to be a breach of the provisions of Clause 28.
- 28.11. Notwithstanding anything to the contrary contained in this Clause 28, it is further clarified that any minority investments made by or to be made by Whiteboard Capital Advisors LLP and all the funds it manages (including with customary investment protection items and rights, appointment of nominee director etc.) shall not be considered to be a breach of the provisions of this Clause 28.

## **29. INDEPENDENT RIGHTS**

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

### 30. ASSIGNMENT

This Agreement, or any right, interest or obligation herein, shall not be assignable or transferable by any Party except with the prior written consent of the other Parties, unless otherwise expressly permitted and in accordance with this Agreement.

### 31. NOTICES

31.1. All notices under this Agreement shall be in writing and are effective upon delivery to the applicable Party (whether by personal delivery, email, registered pre-paid or facsimile) at the address indicated below:

(a) if to the SGS Promoters:

Address : K 165, South City 1, Gurgaon 122001, Haryana, India  
Attention : Mr. Jasbir Singh Gujral  
E-mail : gujral@sgst.com

(b) If to the Company:

Address : A-3 Infocity, Sector 34, Gurgaon, Haryana 122001  
Attention : Mr. Jasbir Singh Gujral  
E-mail : gujral@sgst.com

(c) If to Syrma:

Address : Unit No. 601, 6th Floor, Floral Deck Plaza MIDC, Andheri (East)  
Mumbai – 400093, Maharashtra, India  
Email: chari@syrmatech.com

**For the attention of: T. R. Chari**

(d) If to ST:

Address : Unit No. 9, SDF 1, Seepz, Andheri East, Mumbai – 400096,  
Maharashtra, India  
Email : standon@tandongroup.com

**For the attention of: Sandeep Tandon**

(e) If to Tancom:

Address: Unit No. 9, SDF 1, Seepz, Andheri East, Mumbai –  
400096, Maharashtra, India  
Email: tancom\_pvtltd@tandongroup.com

**For the attention of: The Board of Directors**

(f) If to VKT:

Address: Tandon Beach House, Plot No. 35 – C/2, CTS No. 1069, TPS – 2, Azad  
Nagar, Juhu Koliwada, Santacruz – West, Mumbai – 400049,  
Maharashtra, India



Email: veena.tandon@tandongroup.com

**For the attention of:** Veena Kumari Tandon

If to the Company, the notice details shall be notified to all other Parties to this Agreement.

**31.2. Delivery.**

Any notice or other communication shall be deemed to have been given:

- (a) if personally delivered or communicated via electronic mail, on the same date; or
- (b) if sent by registered pre-paid post, on the 5<sup>th</sup> (fifth) Business Day after it was put into the post; or
- (c) if sent by fax, on the date of transmission upon receipt of the fax by the receiving party, provided that the sending Party shall keep electronic evidence confirming such communication,

provided that any notice given under this Agreement outside of 9am to 6pm (Indian Standard Time) on a Business Day (“**Working Hours**”), shall be deemed not to have been given until the start of the next period of Working Hours.

**31.3. Notices to Directors.**

All notices to any Director (including notices of Board and committee meetings and adjournments of Board and committee meetings) shall be sent to the address of that Director as set out in the Company’s register of directors by registered pre-paid post with a copy sent to that Director by facsimile to such facsimile number (if any) or by electronic mail to such electronic mail address (if any) which that Director has notified to the Company in writing for this purpose with an electronic confirmation of transmission received by the sender.

**32. WHOLE AGREEMENT**

32.1. The Transaction Documents contain the whole agreement between the Parties relating to the transactions contemplated by the Transaction Documents and supersede all previous agreements, whether oral or in writing, between the Parties relating to these transactions.

32.2. Without prejudice to the generality of the foregoing, the Existing Shareholders’ Agreement shall be deemed terminated in its entirety as on the Closing Date. It is clarified that the parties to the Existing Shareholders’ Agreement, including the SGS Promoters, represent and covenant on behalf of themselves, and on behalf of their Promoter Family members that there are no outstanding claims against the Company.

**33. SEVERABILITY**

If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Applicable Law. Any invalid

or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provision. Provided however, if the said provision is a fundamental provision of this Agreement or forms part of the consideration or object of this Agreement, the provision of this Clause shall not apply.

**34. NO PARTNERSHIP OR AGENCY**

Nothing in this Agreement shall, or shall be deemed to, constitute an association or partnership between the Parties nor, unless expressly provided otherwise, to constitute any Party as the agent of any of the other Parties for any purpose.

**35. AMENDMENTS AND COUNTERPARTS**

35.1. Except as otherwise expressly stated in this Agreement, no amendment to this Agreement shall be effective unless it is in writing and duly executed by each of the Parties.

35.2. This Agreement may be executed in any number of counterparts, all of which together constitute one and the same agreement and any Party may enter into this Agreement by executing a counterpart and delivery by facsimile of a copy of any such executed counterpart shall be deemed to constitute delivery of the original counterpart.

**36. CONSENT TO SPECIFIC PERFORMANCE**

Each Party shall be entitled to an injunction, restraining order, right for recovery, suit for specific performance or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the other Parties from committing any violation or enforce the performance of the covenants, representations and obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights and remedies that such Parties may have at Applicable Law or in equity or under this Agreement.

**37. NO WAIVER**

No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving party.

**38. WITHOUT PREJUDICE**

Unless otherwise expressly provided in this Agreement, the Parties agree that the rights and remedies of the Parties hereunder are in addition to their rights under Applicable Law or equity.

**39. FURTHER ASSURANCE**

All Parties shall undertake all necessary reasonable actions to implement the provisions of this Agreement including convening all meetings and giving of all waivers and consents and passing of all resolutions required to ensure that the SGS Promoters, Syrma, the Director(s) appointed by them (and any alternate directors) and the Company gives effect to the terms of the Transaction Documents, as may be applicable.

## **40. DISPUTE RESOLUTION**

### **40.1. Governing Law and Jurisdiction.**

This Agreement is governed by and construed in accordance with Applicable Laws of India. Subject to the provisions of this clause 40 of this Agreement, the Parties agree to be subject to the exclusive jurisdiction of the courts in Mumbai, India. For the avoidance of doubt, the courts in Mumbai, India shall have exclusive jurisdiction for the purpose of interim or interlocutory orders.

### **40.2. Negotiation.**

Any dispute, difference, controversy or claim arising out of, in connection with or relating to this Agreement or as to the construction, meaning or effect hereof or as to the rights and liabilities of the Parties herein or the breach, termination or validity thereof (a “**Dispute**”) shall first be submitted for settlement in accordance with this Clause. Upon the written request (a “**Request**”) of any Party served in accordance with Clause 40.1, the Parties shall promptly meet and attempt to negotiate in good faith a settlement of the Dispute. For this purpose, each of the Parties shall within 30 (thirty) calendar days of the Request nominate a senior executive with authority to settle the Dispute.

### **40.3. Arbitration.**

40.3.1. Any Dispute between the Parties shall first be referred for negotiation and discussions between the nominated senior executives of the Parties (in terms of Clause 40.2 above) who shall within 30 (thirty) days of the Request, attempt to settle the Dispute.

40.3.2. Any Dispute between the Parties, which cannot be settled by such negotiations and discussions within the aforementioned 30 (thirty) days of the Request, shall then be finally resolved by arbitration and any Party may refer the Dispute, for resolution by arbitration.

40.3.3. Within 30 (thirty) days from the reference of the Dispute to arbitration by either Party, the claimant parties shall together appoint 1 (one) arbitrator, the respondent parties shall together appoint 1 (one) arbitrator and the 2 (two) arbitrators so appointed shall appoint a third arbitrator who shall be the presiding arbitrator. The arbitration proceedings shall be conducted in accordance with the Arbitration Rules of the Singapore International Arbitration Centre for the time being in force, which rules are deemed to be incorporated by reference in this Clause.

40.3.4. The seat and venue of arbitration shall be Mumbai. Any award shall be treated as an award made at the seat of the arbitration.

40.3.5. When any Dispute is under arbitration, except for the matters under Dispute, the Parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under this Agreement.

### **40.4. Language and enforcement.**

40.4.1. The arbitration proceedings shall be conducted in the English language.

40.4.2. Any award made by the arbitral tribunal shall be final and binding on each of the parties that were parties to the Dispute.

IN WITNESS WHEREOF, the Parties have entered into this Share Sale and Purchase and Shareholders' Agreement on the day and year first above written.

Signed and delivered for and on behalf of **SGS TEKNIKS MANUFACTURING PRIVATE LIMITED** duly represented through its authorised representative  
**SGS TEKNIKS MANUFACTURING PVT. LTD.**

By : \_\_\_\_\_  
Name : **JASBIR SINGH GUJRAL**  
Title : **DIRECTOR** *Authorized Signatory*

Signed and delivered by **MR. SANJIV NARAYAN**

\_\_\_\_\_ *Sanjiv Narayan*

Signed and delivered by **MR. JASBIR SINGH GUJRAL**

\_\_\_\_\_ *Jasbir Singh Gujral*

Signed and delivered by **MR. KRISHNA KUMAR PANT**

\_\_\_\_\_ *Krishna Kumar Pant*

Signed and delivered by **MR. RANJEET SINGH LONIAL**

\_\_\_\_\_ *Ranjeet Singh Lonial*

Signed and delivered for and on behalf of **SYRMA TECHNOLOGY PRIVATE LIMITED** duly represented through its authorised representative

By : \_\_\_\_\_  
Name : \_\_\_\_\_  
Title : \_\_\_\_\_

Signed and delivered for and on behalf of **TANCOM ELECTRONICS PRIVATE LIMITED** duly represented through its authorised representative

By : \_\_\_\_\_  
Name : \_\_\_\_\_  
Title : \_\_\_\_\_

Signed and delivered by **MR. SANDEEP TANDON**

\_\_\_\_\_ *Sandeep Tandon*

Signed and delivered by **MS. VEENA KUMARI TANDON**

IN WITNESS WHEREOF, the Parties have entered into this Share Sale and Purchase and Shareholders' Agreement on the day and year first above written.

Signed and delivered for and on behalf of **SGS TEKNIKS MANUFACTURING PRIVATE LIMITED** duly represented through its authorised representative

By : \_\_\_\_\_  
Name :  
Title :

Signed and delivered by **MR. SANJIV NARAYAN**

\_\_\_\_\_

Signed and delivered by **MR. JASBIR SINGH GUJRAL**

\_\_\_\_\_

Signed and delivered by **MR. KRISHNA KUMAR PANT**

\_\_\_\_\_

Signed and delivered by **MR. RANJEET SINGH LONIAL**

\_\_\_\_\_

Signed and delivered for and on behalf of **SYRMA TECHNOLOGY PRIVATE LIMITED** duly represented through its authorised representative

By : \_\_\_\_\_  
Name : Mr. Sandeep Tandon  
Title : *Director*

Signed and delivered for and on behalf of **TANCOM ELECTRONICS PRIVATE LIMITED** duly represented through its authorised representative

By : *Veena Kumari Tandon*  
Name : Ms. Veena Kumari Tandon  
Title :

Signed and delivered by **MR. SANDEEP TANDON**

\_\_\_\_\_

Signed and delivered by **MS. VEENA KUMARI TANDON**

*Veena Kumari Tandon*

## SCHEDULE I: CAPITALISATION TABLES

### Part A: Shareholding pattern of the Company as on the Execution Date

<u>Sl. No.</u>	<u>Name of Shareholder</u>	<u>Number of Equity Shares</u>	<u>Percentage Shareholding (%)</u>
1.	Mr. Sanjiv Narayan	4,01,775	24.91
2.	Mr. Ranjeet Singh Lonial	4,01,774	24.91
3.	Mr. Krishna Kumar Pant	4,01,773	24.91
4.	Mr. Jasbir Singh Gujral	4,01,775	24.91
5.	Mrs. Sushma Narayan	1,422	0.09
6.	Mrs. Bhavanjit Kaur Lonial	1,422	0.09
7.	Mrs. Usha Pant	1,422	0.09
8.	Mrs. Sukhbir Kaur Gujral	1,422	0.09
<b>Total</b>		<b>16,12,785</b>	<b>100</b>

### Part B: Shareholding pattern of the Company as on the Closing Date

<u>Sl. No.</u>	<u>Name of Shareholder</u>	<u>Number of Equity Shares</u>	<u>Percentage Shareholding (%)</u>
1.	Mr. Sanjiv Narayan	3,22,557	20
2.	Mr. Ranjeet Singh Lonial	3,22,557	20
3.	Mr. Krishna Kumar Pant	3,22,557	20
4.	Mr. Jasbir Singh Gujral	3,22,557	20
5.	Syrma Technology Private Limited	3,22,557	20
<b>Total</b>		<b>16,12,785</b>	<b>100</b>

**SCHEDULE II: BANK ACCOUNTS AND SALE SHARES**

**BANK ACCOUNT**

<b>Name</b>	<b>Bank Account Details</b>
<b>MR. SANJIV NARAYAN</b>	Bank Account No - 0114486387, Kotak Mahindra Bank, IFSC: KKBK0000172
<b>MR. JASBIR SINGH GUJRAL</b>	Bank Account No - 0114445919, Kotak Mahindra Bank, IFSC: KKBK0000172
<b>MR. KRISHNA KUMAR PANT</b>	Bank Account No - 0114501042, Kotak Mahindra Bank, IFSC: KKBK0000172
<b>MR. RANJEET SINGH LONIAL</b>	Bank Account No - 2214391837, Kotak Mahindra Bank, IFSC: KKBK0000261
<b>MRS. SUSHMA NARAYAN</b>	Bank Account No - 0114495303, Kotak Mahindra Bank, IFSC: KKBK0000172
<b>MRS. BHAVANJIT KAUR LONIAL</b>	Bank Account No - 0114489456, Kotak Mahindra Bank, IFSC: KKBK0000261
<b>MRS. USHA PANT</b>	Bank Account No - 0114495310, Kotak Mahindra Bank, IFSC: KKBK0000172
<b>MRS. SUKHBIR KAUR GUJRAL</b>	Bank Account No - 0114445964, Kotak Mahindra Bank, IFSC: KKBK0000172

**SALE SHARES AND CONSIDERATION**

<b>Name</b>	<b>No. of Equity Shares Sold</b>	<b>Amount (in INR)</b>
<b>MR. SANJIV NARAYAN</b>	79,218	21,79,42,254.30
<b>MR. JASBIR SINGH GUJRAL</b>	79,218	21,79,42,254.30
<b>MR. KRISHNA KUMAR PANT</b>	79,216	21,79,36,752.00
<b>MR. RANJEET SINGH LONIAL</b>	79,217	21,79,39,503.20
<b>MRS. SUSHMA NARAYAN</b>	1,422	39,12,165.00
<b>MRS. BHAVANJIT KAUR LONIAL</b>	1,422	39,12,165.00
<b>MRS. USHA PANT</b>	1,422	39,12,165.00
<b>MRS. SUKHBIR KAUR GUJRAL</b>	1,422	39,12,165.00
<b>TOTAL</b>	<b>3,22,557</b>	<b>88,74,09,423.80</b>

**SCHEDULE III: CP CONFIRMATION CERTIFICATE**

**PART A – SELLER CP CONFIRMATION CERTIFICATE**

[•]

To,

\_\_\_\_\_

Dear Sirs,

We write with reference to the Share Sale and Purchase and Shareholders' Agreement dated [•] ("**Agreement**") entered into between [•]. Capitalized terms not specifically defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them under the Agreement.

In terms of [•] of the Agreement, we, [•], hereby certify and confirm to you, as follows.

1. All the conditions precedent set out in [•] of the Agreement to be completed by us have been satisfied. We have provided the following documentation evidencing satisfaction of the said conditions precedent:

Sr. No.	Clause Reference	Documents/Certification
1.		
2.		

2. The Warranties were true and accurate at the Execution Date shall be true and correct as on the Closing Date.

Regards,

For and on behalf of the Company

\_\_\_\_\_  
Name:

Title:

For and on behalf of the SGS Promoters

\_\_\_\_\_  
Name:

Title:



**Part B: PURCHASER CP CONFIRMATION CERTIFICATE**

[•]

To,

\_\_\_\_\_

Dear Sirs,

1. We write with reference to the Share Sale and Purchase and Shareholders' Agreement dated [•] ("**Agreement**") entered into between [•]. Capitalized terms not specifically defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them under the Agreement.
2. In terms of [•] of the Agreement, we, [•], hereby certify and confirm to you, as follows.
3. All the conditions precedent set out in [•] of the Agreement to be completed by us have been satisfied. We have provided the following documentation evidencing satisfaction of the said conditions precedent:

<b>Sr. No.</b>	<b>Clause Reference</b>	<b>Documents/Certification</b>
1.		
2.		

Regards,

For and on behalf of the Purchaser

\_\_\_\_\_

Name:

Title:

**SCHEDULE IV: CP SATISFACTION CERTIFICATE**

[•]

To,

\_\_\_\_\_

Dear Sirs,

We write with reference to the Share Sale and Purchase and Shareholders' Agreement dated [•] ("**Agreement**") entered into between [•]. Capitalized terms not specifically defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them under the Agreement.

This certificate is being issued pursuant to Clause [•] of the Agreement.

We are in receipt of the [Purchaser / Seller] CP Confirmation Certificate dated \_\_\_\_\_. Basis and relying on the said [Purchaser / Seller] CP Confirmation Certificate, we hereby confirm that the Conditions Precedent set out in Clause [•] have been satisfied.

Regards,

For and on behalf of the Purchaser/ SGS Promoters & Company

\_\_\_\_\_

Name:

Title:

**Accepted & Confirmed on behalf of [•]**

\_\_\_\_\_

## **SCHEDULE V: RESERVED MATTERS**

### **Part A: Syrma Reserved Matter**

1. Increase or decrease or other alteration or modification in the authorized, issued and / or paid up share capital of the Company, and / or any reduction of capital and / or any changes to the capital structure of the Company, including the issuance, redemption or buy-back of any Securities or other convertible instruments, share-splits, issuance of bonus shares, grant of options over its securities, restructuring of share capital, any reclassification or creation of new class or series, raising capital by issuing equity / equity-linked securities, convertible debentures or other convertible instruments;
2. Any initial public offering;
3. Any amendment, modification or restatement of the Charter Documents;
4. Any acquisition or sale of any assets of the Company in any financial year in excess of 10% (ten per cent.) of the annual budget or the Annual Business Plan (including any line item thereunder);
5. Approval and adoption of the annual budget and the Annual Business Plan, amendment or modification of the annual budget or Annual Business Plan, or taking any action that is inconsistent with the annual budget or Annual Business Plan then in existence (including a prepayment of any term loan debt in excess of 20% (twenty per cent.) of the outstanding term loans at the beginning of the Financial Year); provided such amendment, modification or such inconsistent action has a cumulative value in excess of 10% (ten per cent.) of the annual budget or the Annual Business Plan (including any line item thereunder);
6. Declaration or payment of dividend or other distributions on the Company's Securities;
7. Entering into transactions, arrangements or agreements with the SGS Promoters or Related Parties other than pursuant to existing transactions with such parties, details of which have been provided by the Company to the Purchaser on the Closing Date in writing;
8. Any borrowing, or a series of related borrowings, by the Company in any Financial Year, or the creation of any Encumbrance in connection with any such borrowing provided such borrowings (and the consequent encumbrances in connection with such borrowings) are in excess of 10% (ten per cent.) of the line items set out in the annual budget;
9. Issuance of guarantee(s) otherwise than in Ordinary Course of Business or as contemplated in the annual budget which are in excess of 10% (ten per cent.) of the borrowings (connected with such guarantees) set out in the annual budget;
10. Creation or disposal of any legal entity, partnership, Subsidiary of the Company, merging or demerging with or into any corporation, spin-off, consolidation, business reorganization, division of business or entering into any joint venture or similar arrangement by the Company, acquisition of other businesses or making any investments (other than short term investments in bank deposits / mutual funds to park short term surplus funds), in each case where the proceeds involved is in excess of USD 500,000 (United States Dollar five hundred thousand) or change of Control, bankruptcy, insolvency, liquidation, winding up, dissolution, compromise with creditors, restructuring, whether of assets, debt, shares or otherwise, other similar or related actions, either by or of the Company (other than the Proposed Merger);
11. Sale of whole or substantially all of the business or assets of the Company;

12. Entering into any material Contract, or a series of material agreements or arrangements unless provided for in the annual budget and in excess of 10% (ten per cent.) of the line item provided in the annual budget;
13. Any (a) capital expenditures; or (b) acquisitions / disposal of capital assets, including but not limited to constructions and leases, unless provided for in the annual budget and which are in excess of 10% (ten per cent.) of the line item provided in the annual budget;
14. Change in the composition of the Board;
15. Appointment / removal of the statutory or internal auditors of the Company, only in the event where such auditors are not members of the Big Four Accounting Firms;
16. Issuance, formulation, creation or adoption of stock option plans, stock appreciation rights plans and / or other management or employee stock incentive plans, or any changes, modifications or amendments thereto, including the creation, formation, termination, etc., of any trusts therefor;
17. Any variation of the rights attached to the Equity Shares purchased by the Purchaser under the terms of this Agreement;
18. Commence or settle any Litigation, arbitration or other proceedings with the SGS Promoters and / or Related Party;
19. Assignment, mortgage, pledge, hypothecation, grant of security interest in, subject to any lien, of any assets or securities of the Company otherwise than as contemplated by the annual budget which amount to exceeding 10% (ten per cent.) of the borrowings (connected with such encumbrances) in the annual budget, in any Financial Year;
20. Any agreement or arrangement to give effect to any of the matters contained herein which requires the affirmative consent of the Purchaser pursuant to these Reserved Matters; and
21. Any amendments to the Transaction Documents involving the Company, to which the Purchaser is not a party.

**Part B: Promoters Reserved Matter**

1. (a) Offering or authorizing the fresh issue of any Security, including Equity Shares and/or any change in capital structure; and (b) creation of (by reclassification or otherwise) any new class or series of Securities or alteration to the rights, interests, preferences or privileges of any class of Securities;
2. To fix or alter the remuneration or terms and conditions of employment of any of the Directors;
3. To acquire, dispose or deal in any real estate;
4. Alter the terms and conditions of this Agreement;
5. Appointment, re-appointment or change of the internal auditor or statutory auditors of the Company, including the terms of such appointment, and any amendment to such terms;
6. To appoint Directors (unless specifically permitted under the terms of this Agreement);
7. Related Party transaction;

8. The granting of powers of attorney;
9. Borrowing or issuance of debt securities by the Company in excess of INR 69,00,00,000 (Indian Rupees Sixty Nine Crores);
10. Induction of any Relative of a SGS Promoter into the operations/day to day management of the Company; or
11. Change of registered office of the Company.

## SCHEDULE VI: WARRANTIES

Subject to the disclosures made in the Disclosure Letter, the Warrantors (as specified in Clauses 6.1 and 6.2) hereby represent, warrant and undertake to the Purchaser that their respective Warranties are true and correct in all respects, as of the Execution Date and as of the Closing Date. The representations and warranties set out herein, to the extent applicable, be deemed to extend *mutatis mutandis* to the Subsidiaries.

### **A. FUNDAMENTAL WARRANTIES.**

#### **1. SHARES.**

- 1.1 The SGS Promoter is the sole legal and beneficial owner of the relevant Sale Shares.
- 1.2 The SGS Promoter is entitled to Transfer to the Purchaser the full legal and beneficial ownership of the relevant Sale Shares, free from all Encumbrances and the Transfer of the relevant Sale Shares to the Purchaser on the Closing Date hereunder will convey to the Purchaser clear, good and marketable title to the relevant Sale Shares (with all rights and interests therein) and the Purchaser upon such Transfer on the Closing Date shall be the sole legal and beneficial owner of the relevant Sale Shares, with all rights and interests, free and clear of any Encumbrances whatsoever.
- 1.3 The Sale Consideration to be paid or paid to the SGS Promoter as per the details set out in **Schedule II** of this Agreement constitutes full and sufficient consideration for the Transfer of the relevant Sale Shares by the SGS Promoter.
- 1.4 Except the Existing Shareholders' Agreement, there are no voting trusts, shareholders agreements, proxies or other agreements or arrangements in effect with respect to the voting, transfer or dividend rights of the relevant Sale Shares.
- 1.5 The SGS Promoter is legally entitled to hold and deal with the relevant Sale Shares including selling of the relevant Sale Shares in accordance with the terms of this Agreement.
- 1.6 The relevant Sale Shares are fully paid up, non-assessable, *pari passu* with the other Equity Shares and free from any Encumbrances.
- 1.7 The SGS Promoter has neither entered into any agreement with any Person nor authorised any Person on its behalf for the sale, disposal or other alienation, or executed or performed any other agreement creating any kind of Encumbrance on the relevant Sale Shares or voting rights therein and, or, any portion thereof in favour of any Person or otherwise, save and except for this Agreement.
- 1.8 To the best knowledge of the SGS Promoter, there are no claims or proceedings under Section 281 of the Income Tax Act, 1961 which could be expected to enjoin, restrict or prohibit the sale of relevant Sale Shares as contemplated by the Agreement.
- 1.9 Following the Closing Date, the Purchaser shall be entitled to receive and retain all dividends declared or paid and all accretions (including, without limitation, bonus and rights shares) which may accrue, in respect of the relevant Sale Shares.

### **B. OTHER FUNDAMENTAL WARRANTIES**

#### **2. PERSONAL WARRANTIES.**

- 2.1 The SGS Promoter is competent to contract under the Indian Contract Act, 1872.
- 2.2 The execution, delivery and performance by the SGS Promoter of this Agreement and the other Transaction Documents constitutes a legal and valid binding obligation, of the SGS Promoter,

enforceable against the SGS Promoter in accordance with its terms and does not:

- (i) constitute a breach or constitute a default under the Charter Documents;
  - (ii) impair the ability of the SGS Promoter to consummate the transactions contemplated herein; or
  - (iii) result in a violation or breach of or default under any Applicable Law.
- 2.3 All Approvals for execution and consummation of the transactions under this Agreement and the other Transaction Documents, in the personal and individual capacity of the SGS Promoter, have been obtained or will be obtained on or before the Closing Date by the SGS Promoter.
- 2.4 This Agreement and other Transaction Documents constitutes the legal, valid and binding obligation of the SGS Promoter, enforceable against the SGS Promoter in accordance with its terms.
- 2.5 The execution, delivery and performance of this Agreement and the other Transaction Documents by the SGS Promoter in his individual and personal capacity, does not:
- (a) conflict with or result in any breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both constitute) a default under, any agreement to which the SGS Promoter is a party or by which the SGS Promoter is bound;
  - (b) violate any court order, judgment, injunction, award, decree, direction or writ of any court or other Governmental Authority against, or binding upon, the SGS Promoter or upon his securities, properties or business; or
  - (c) violate any Applicable Law or regulation of India or any other jurisdiction in which the SGS Promoter maintains a business presence.
- 2.6 The SGS Promoter is a tax resident of India and person resident in India as per India's foreign exchange management act and rules and regulations thereunder.
- 2.7 The SGS Promoter has obtained a Permanent Account Number (the details of which are provided in Annexure 1 to Schedule VI) under the provisions of the IT Act and has filed the return of income under the provisions of the Income Tax Act, 1961 till date.
- 2.8 To the best knowledge of the SGS Promoter, no insolvency proceedings of any character, including without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary affecting the SGS Promoter is pending or threatened, and the SGS Promoter has not made any assignment for the benefit of creditors or taken any action in contemplation of, or which would constitute the basis for, the institution of such insolvency proceedings.
- 2.9 To the best knowledge of the SGS Promoter, there is no action, suit, proceeding or investigation pending, or to the best knowledge of the SGS Promoter, threatened against the SGS Promoter which questions the validity of this Agreement or the other Transaction Documents or the right of the SGS Promoter to enter into this Agreement and the other Transaction Documents, or to consummate the transactions contemplated hereby and thereby, or which could reasonably result in any change in the current equity ownership of the Company or prejudice the Purchaser's title to the relevant Sale Shares.

**3. CORPORATE STATUS.**

3.1 The Company is duly incorporated, validly existing and in good standing under the Applicable Laws and has full corporate power and authority to own, lease and operate the assets and properties it now owns, leases and operates and to carry on its Business as now being conducted and as proposed to be conducted.

**4. AUTHORIZATIONS, ENFORCEABILITY, ETC.**

4.1 The Company has full corporate power and authority, to enter into this Agreement and the other Transaction Documents, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

4.2 The execution and delivery of this Agreement and the other Transaction Documents, the performance of the Company's obligations hereunder and thereunder, including conveying to the Purchaser good and marketable title to the Sale Shares and the consummation by the Company of the transactions contemplated hereby and thereby, has been duly authorized by all necessary action on the part of the Company. This Agreement has been, and, when executed and delivered by the Company, the remaining Transaction Documents will be, duly executed and delivered by the Company and in the case of this Agreement, constitutes and in the case of the remaining Transaction Documents, will constitute, legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its terms.

4.3 All corporate authorizations and all other Approvals, for the Company to enter into and perform its obligations under this Agreement and the Transaction Documents have been obtained.

4.4 The execution, delivery and performance of this Agreement and the other Transaction Documents by the Company, do not and will not require any Approval or Governmental Approval.

4.5 There are no commitments / Contracts entered into by the Company which may be in breach of the terms of this Agreement and the Transaction Documents.

4.6 All Governmental Approvals and approvals from the Board, Shareholders, and contracting counterparties under any Contract) for the sale of the Sale Shares as contemplated herein have been granted and continue in force.

4.7 The Company is not engaged in any activity in which direct or indirect foreign investment up to 100% (one hundred per cent.) under the automatic route, is restricted or prohibited under the Applicable Laws in India.

**5. NO CONFLICTS, ETC.**

5.1 The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents, do not and will not (i) conflict with, contravene, result in a violation or breach of or default under (with or without the giving of notice or the lapse of time or both); (ii) create in any other Person, a right or claim of termination, amendment, or require modification, acceleration or cancellation of; or (iii) result in the creation of any Encumbrance (or any obligation to create any Encumbrance) upon any of the assets or properties of the Company under (a) any provision of the Charter Documents; (b) any Applicable Law to the Company; (c) any Governmental Approval or consent applicable to the Company; (d) any order, judgment or decree of any court or other Governmental Authority to which the Company is a party; or (e) any Contract to which the Company is a party or by which any of its assets or properties may be bound or affected.



## **6. INFORMATION.**

- 6.1 The information provided to the Purchaser and their representatives during the diligence (including the due diligence reports in respect of the Company), and the preparation and negotiation of this Agreement and the other Transaction Documents was provided by the Company and SGS Promoters and their respective representatives in good faith and was when given, and is as of the date hereof, true, accurate, complete and not misleading. The Purchaser and its representatives can rely upon the contents of the due diligence reports, as provided during the diligence.
- 6.2 All information contained in this Agreement and other Transaction Documents (including the recitals) pertaining to the Company and / or the SGS Promoters is true, accurate and complete. Neither this Agreement nor each of the other Transaction Documents pertaining to the Company and/or the SGS Promoters contains any untrue statement of a material fact or omits to state a material fact required to be stated herein or therein, or necessary in order to make the statements contained herein or therein in light of the circumstances under which they were made, not misleading. All information and statements contained in this Agreement and the other Transaction Documents are true, correct and complete in all material respects.
- 6.3 All the information requested for by the Purchaser and provided by the Company to the Purchaser, to enable the Purchaser and its representatives to make an informed assessment of the assets, liabilities, financial position, profits, losses and prospects of the Company and of the rights attaching to the Sale Shares, is true and correct.

## **7. CAPITALIZATION; SHAREHOLDING.**

- 7.1 The Company has not, nor has anyone on its behalf, done, committed or omitted any act, deed, matter or thing whereby the Sale Shares can be forfeited, extinguished or rendered void or voidable. Neither the Company nor anyone acting on behalf of the Company has entered into or arrived at any agreement or arrangement, written or oral, with any Person, which will render the sale of the Sale Shares in violation of the Transaction Documents. Further, the Sale Shares have been validly issued and allotted and are fully paid-up in compliance with Applicable Law.
- 7.2 The authorised, issued and paid-up share capital of the Company as well as the current shareholding pattern of the Company as on the date of this Agreement is as specified in Recital B read with Part A of Schedule I to this Agreement. The Company has not issued any Securities of any nature whatsoever other than the Securities issued and allotted as mentioned in Part A of Schedule I of this Agreement. The shareholding pattern of the Company upon Closing under this Agreement is as specified in Part B of Schedule I to this Agreement.
- 7.3 All of the issued and outstanding Securities have been duly authorized, validly issued, fully paid and non-assessable and are free of Encumbrances. All necessary corporate and shareholder action on the part of the Company, and approvals and consents have been obtained in this respect and the issuance has been accordance with Applicable Law.
- 7.4 Except as contemplated by this Agreement and the Transaction Documents, there are no outstanding rights, plans, options, warrants, calls, conversion rights, repurchase rights, redemption rights or any Contracts, arrangements, requirements or commitments of any character (either oral or written, firm or conditional) obligating the Company to issue, deliver, sell, purchase, repurchase or otherwise acquire, or cause to be issued, delivered, sold, purchased, repurchased or otherwise acquired, any equity Securities or any Securities exchangeable for or convertible into the foregoing or obligating the Company to grant, extend

or enter into any such Contract, arrangement, requirement or commitment, nor are there any rights to receive dividends or other distributions in respect of any such Securities.

- 7.5 To the best knowledge of the Company and the SGS Promoters, no insolvency proceedings of any character, including without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Company is pending or to the best knowledge of the Company and/or the SGS Promoters, threatened, and the Company has not made any assignment for the benefit of creditors or taken any action in contemplation of, or which would constitute the basis for, the institution of such insolvency proceedings.
- 7.6 To the best knowledge of the Company and the SGS Promoters, there is no action, suit, proceeding or investigation pending or to the best knowledge of the Company and the SGS Promoters or threatened against the Company, which questions the validity of this Agreement and/or the other Transaction Documents or the right of the Company to enter into this Agreement and/or the other Transaction Documents, or to consummate the transactions contemplated hereby and thereby, or which could reasonably result in any change in the current equity ownership of the Company or prejudice the Purchaser's title to the Sale Shares.
- 7.7 There are no Contracts amongst the Shareholders of the Company with respect to the holding, voting, Transfer or otherwise, with respect to any Securities of the Company.

## 8. OWNED PROPERTIES.

- 8.1 The immovable properties comprising all the land and buildings owned, leased, controlled, occupied, licensed or used by the Company or its Subsidiaries ("**Properties**") are listed below:

S.No.	Property	(Owned / Leased / Rented)
1.	Property at survey no. 27/4, A2, Jigani Link Road, Bommasandra Industrial Area Phase-4, Bangalore – 560099.	For the purposes of this Schedule properties in 1 and 2 of this table shall be referred to as Leased Properties or Factory Leased Properties
2.	Property at No. 211, Jigani - Bommasandra Link Road, Industrial Area, Jigani, Bangalore – 560106.	
3.	Property at A-3, Infocity, Sector 33 & 34, Gurgaon- 122001, Haryana.	For the purposes of this Schedule properties in 3 to 6 of this table shall be referred to as Owned Properties or Factory Owned Properties
4.	Property at 174, Sector 4, IMT Manesar, Gurgaon, Haryana - 122050.	
5.	Plot No. 88 HPSIDC Industrial Area, Baddi-173205, District Solan, Himachal Pradesh	
6.	Plot no. 89, HPSIDC Industrial Area, Baddi-173205, District Solan, Himachal Pradesh	

- 8.2 The Company owns the Owned Properties listed in s. no. 3, 5 and 6 in the table provided in paragraph 8.1 above. The Company's Subsidiary SGS Infosystems Private Limited owns the Owned Property listed in sr.no.4. in the table provided in paragraph 8.1 above. The Company and its Subsidiary SGS Infosystems Private Limited has good, valid and marketable title on its Owned Properties (which title has, where requisite, been registered or other lodgement at the appropriate public registry) to and all original sale deeds and documents necessary to prove

such title are in the possession or under the control of the Company or SGS Infosystems Private Limited, as the case may be.

- 8.3 To the best knowledge of the Company and/or the SGS Promoters, no Person has or claims any security interest, charge, Encumbrance, lien, option, right of pre-emption or other similar interest (including any arising by statute) in or over any of the Owned Properties or any relevant deeds or documents.
- 8.4 To the best knowledge of the Company and/or SGS Promoters, no Owned Property is affected by a subsisting contract for sale or other disposition of any interest in it.
- 8.5 The Owned Properties and all uses of, and developments on, the Owned Properties have been duly approved by the statutory authorities and comply with all Planning and Zoning Legislation.
- 8.6 All Planning and Zoning Legislations and all consents or statutory agreements affecting any of the Owned Properties have been materially complied with.
- 8.7 To the best knowledge of the Company and/or the SGS Promoters knowledge, no Owned Property subject to an order, resolution or proposal for compulsory acquisition or located in an area which is or is (so far as the Company or the SGS Promoters are aware) proposed to be subject to any statutory or other order.
- 8.8 To the best knowledge of the SGS Promoters and/or the Company, there are no current, contingent, or anticipated notices, actions, disputes, complaints, liabilities, claims or demands relating to or in respect of the Owned Properties or their use.

## **C. BUSINESS WARRANTIES**

### **9. OWNERSHIP INTERESTS.**

- 9.1 The Company does not have any Subsidiaries except SGS Solutions GmbH and SGS Infosystems Private Limited and except in the case of SGS Solutions GmbH and SGS Infosystems Private Limited, the Company does not hold any shares or other securities in any other company or any interest in any other business organisation and the Company has not agreed to acquire any such shares, securities or interest.

### **10. PROPERTIES.**

- 10.1 To the best knowledge of the Company and/or the SGS Promoters, no Person has or claims any security interest, charge, Encumbrance, lien, option, right of pre-emption or other similar interest (including any arising by statute) in or over any of the Leased Properties or any relevant deeds or documents.
- 10.2 To the best knowledge of the Company and/or SGS Promoters, no Leased Property is affected by a subsisting Contract for sale or other disposition of any interest in it.
- 10.3 The Leased Properties and all uses of, and developments on, the Leased Properties have been duly approved by the statutory authorities and comply with all Planning and Zoning Legislation.
- 10.4 All Planning and Zoning Legislations and all consents or statutory agreements affecting any of the Leased Properties have been materially complied with.
- 10.5 To the best knowledge of the Company and/or the SGS Promoters knowledge, no Leased Property is subject to an order, resolution or proposal for compulsory acquisition or located in

an area which is or is (so far as the Company or the SGS Promoters are aware) proposed to be subject to any statutory or other order.

- 10.6 The Company is in possession of the whole of each of the Properties, none of which is vacant and no other Person or entity is in or actually or conditionally entitled to possession, occupation, use or control of any of the Properties.
- 10.7 All fixtures, fittings, plant and equipment at such Properties are owned absolutely by the Company.
- 10.8 To the best knowledge of the Company and/or SGS Promoters, none of the Properties is subject (or likely to become subject) to any matter which might adversely affect:
  - (a) the Company's ability to continue to carry on its existing Business from any Property in the same manner as presently carried on or as contemplated to be carried on and at the same cost; or
  - (b) the value of any Properties.
- 10.9 The Company is not and to the best knowledge of the Company and/or SGS Promoters, nor is it alleged to be, in breach of any material covenant, restriction, condition or obligation (whether statutory or otherwise) affecting the Properties or the conduct of the existing Business at or from the Properties, nor to the best knowledge of the Company and/or SGS Promoters is there any reason why such material covenants, restrictions, conditions and obligations should not continue to be complied with.
- 10.10 Each Property benefits from all permanent and legally enforceable easements and other contractual rights (if any) necessary or appropriate for the continued use, enjoyment and maintenance of such Property (in accordance with the terms of occupation of such Property) by the Company for the purpose of its existing Business carried on at or from such Property and for compliance with any obligations relating to the relevant Property (whether statutory or otherwise) and all such easements and rights are on reasonable terms which (without limitation) do not entitle any Person or entity to terminate, restrict or curtail them or impose any unusual or onerous conditions.
- 10.11 The Properties are not subject to the payment of any outgoings nor is the Company actually or contingently liable to pay any sums in relation to any Property other than the usual rates and taxes, maintenance expenses and, in the case of leaseholds, rent, insurance rent and service charge.
- 10.12 There is no outstanding liability beyond 30 (thirty) days of the payment due date for any rent, service charge, insurance rent, rates, taxes or other outgoings in respect of any of the Properties.
- 10.13 In respect of the Properties, the Company is not subject to any material outstanding monetary claim or liability, actual or contingent, arising under any Planning and Zoning Legislation, consent or statutory agreement.
- 10.14 To the best knowledge of the Company and/or SGS Promoters, the buildings and other structures on, under or over the Properties are in good and substantial repair and condition and fit for the purposes for which they are presently used and there is no material defect (whether latent, inherent or otherwise) in the construction or condition of any of such buildings or other structures.
- 10.15 In relation to such of the properties as are leasehold or let to, or occupied by, third parties:

- (a) each lease is legal, valid, binding and in full force and effect, all material covenants, conditions and Contracts contained in the relevant leases, on the part of the landlord and the tenant, have been complied with;
  - (b) there has been no written complaint alleging any breach or any refusal to accept rent;
  - (c) the Company has not commuted any rent or other payment or paid any rent or other payment ahead of the due date for payment or made any improvements for which the landlord may be required to pay compensation;
  - (d) no surety has been released, expressly or by implication;
  - (e) no tenancy is being continued after the contractual expiry date whether pursuant to statute or otherwise;
  - (f) all leases of properties are on an arm's length basis; and
  - (g) all lease deeds and agreements have been adequately stamped and for the appropriate amounts, and have been registered with the relevant registrar.
- 10.16 The execution, delivery and performance of this Agreement and the other Transaction Documents, the sale of the Sale Shares and the consummation of the transactions contemplated hereby, do not and will not require the consent of any Person pursuant to any of the leases or any instrument of record or Contract affecting the Properties. The enforceability of such leases will not be affected in any manner by the execution, delivery or performance of this Agreement or the sale of Sale Shares, and no lease contains any change in control provision or other terms or conditions that will become applicable or inapplicable as a result of the consummation of the transactions contemplated hereby.
- 10.17 All lease deeds for the Leased Properties have been adequately stamped and for the appropriate amounts, and have been registered with the relevant registrar.
- 10.18 The Company's right to use the Leased Properties is pursuant to a valid and enforceable lease, license or similar contractual arrangement.
- 11. CHARTER DOCUMENTS; MINUTES; SHARE REGISTER.**
- 11.1 The copies of the Charter Documents of the Company provided to the Purchaser or its representatives, each as in effect on the date hereof, are true, accurate and complete in all respects.
- 11.2 The minute books of the Company contain true, accurate and complete records of all meetings and actions in lieu of meetings of its Board (or other governing bodies) and any committees thereof and of its Shareholders, since incorporation and in a true and fair manner reflect all transactions referred to in such minutes and actions in lieu of meetings.
- 11.3 The share transfer register of the Company is true, accurate and complete as to both record ownership and beneficial ownership of the outstanding share capital of the Company and is maintained in all material respects in accordance with Applicable Law.
- 11.4 All statutory books, corporate records and registers of the Company have been properly kept in accordance with Applicable Law, all requisite filings with the Registrar of Companies have been made in accordance with Applicable Law, and no notice or allegation that any of them is incorrect or should be rectified and / or for the payment of penalties, has been received.

- 11.5 All meetings of the Board (including any committee of the Board) and the Shareholders have been held in accordance with Applicable Law.

## **12. FINANCIAL MATTERS.**

### **12.1 Accounting and Other Records**

The statutory books, books of accounts and other records of the Company are up-to-date and have been maintained materially in accordance with all Applicable Laws and GAAP on a proper and consistent basis and comprise complete and accurate records of all information required to be recorded.

### **12.2 The Accounts**

- (a) The Accounts have been derived from the accounting books and records of the Company, and have been prepared in accordance with the requirements of all relevant Applicable Laws then in force and with GAAP applied on a proper and consistent basis throughout the periods presented in the accounts, and are based on the Company's then existing accounting policies.
- (b) The balance sheets included in the accounts give a true and fair view of the financial position of the Company as at the respective dates thereof, and the profit and loss account and the statement of cash flow included in the accounts give a true and fair view of the results of operation and cash flows of the Company for the respective periods indicated therein.
- (c) The accounts make full provision for or disclose all liabilities or obligations of any nature (whether accrued, absolute, contingent, disputed or otherwise and including financial lease commitments and pension liabilities), all outstanding capital commitments and all bad or doubtful debts of the Company, in each case in accordance with GAAP.
- (d) The results shown in the accounts, for each of the Financial Years, since incorporation, ended on the Accounts Date, were not (except as therein disclosed) affected by any extraordinary or exceptional items or by any other factors rendering such results for all or any of such periods unusually high or low.

- 12.3 The Company has devised and maintained systems of internal accounting controls with respect to the Business sufficient to provide reasonable assurances that (a) all transactions are executed in accordance with the management's general or specific authorization; (b) all transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP and to maintain proper accountability for items; (c) access to their property and assets is permitted only in accordance with the management's general or specific authorization; and (d) the recorded accountability for items is compared with the actual levels at reasonable intervals and appropriate action is taken with respect to any differences.

## **13. TAXATION.**

- 13.1 All Taxation of any nature whatsoever for which the Company is liable or for which the Company is liable to account and which has fallen due for payment has been duly paid (insofar as such Taxation ought to have been paid) unless challenged by the Company in a bona fide manner. The Company has not asked for any extensions of time for the filing of any annual Tax Returns. The Company has not paid or become liable to pay any interest, penalty, surcharge or fine relating to Taxation unless in case of delayed filing. The Company has not been subject to

nor is currently subject to any investigation, audit or search and / or seizure by any Tax Authority with regard to any Taxation or Tax Returns of the Company, and no deficiencies for Taxation have been proposed, asserted, raised or, to the best of the Company's and SGS Promoters' knowledge, threatened by any Tax Authority against the Company.

- 13.2 All Tax Returns and other notices, computations and returns which ought to have been given or made, have been properly and duly submitted by the Company to the relevant Tax Authorities and all such Tax Returns and other information, notices, computations and returns submitted to such authorities are true, accurate and complete and are not the subject of any dispute, nor to the best of the Company's and SGS Promoters' knowledge, are likely to become the subject of any dispute with such authorities. All records which the Company is required to keep for Taxation purposes or which would be needed to substantiate any claim made or position taken in relation to Taxation, by the Company, have been duly kept and are available for inspection at the Company's premises.
- 13.3 All rents, interest and other amounts paid or payable by the Company are wholly allowable as deductions or charges in computing the Company's income for Taxation purposes. No claim has been made for the depreciation of any asset of the Company for Taxation purposes and no other claim has been made for a deduction, rebate or exemption of any nature, in circumstances in which the claim is likely to be disallowed.
- 13.4 The amount of Taxation chargeable on the Company during any accounting period ending on the Accounts Date, has not been affected to any extent by any concession, arrangements, Contract or other arrangement with any Tax Authority. The Company has not been subject to a special regime in respect of Taxation.
- 13.5 The Company has duly made all deductions and withholdings in respect, or on account, of any Taxation from any payments made by it which it is obliged or entitled to make and has accounted in full to the appropriate authority for all amounts so deducted. The Company is entitled to deductions in respect of all expenses claimed in relation to any carried forward losses and no such losses have been, to the best of the Company's and the SGS Promoters' knowledge, and none of these losses are required to be, disallowed.
- 13.6 The Company has not disposed of or acquired any assets in circumstances such that the disposal price or acquisition cost of the asset would be treated for Taxation purposes as being different from the consideration given or received.
- 13.7 No transactions or arrangements involving the Company have taken place or are in existence that give rise to a liability to Taxation whether as a consequence of transfer pricing or otherwise, except in respect of and to the extent of income and profits actually received.
- 13.8 There are no Encumbrances for Taxes on the assets of the Company. The Company is not a party to any agreement providing for the allocation or sharing of Taxes. No Taxes are or will be due from the Company and / or the SGS Promoters, with respect to the transactions contemplated by this Agreement and the other Transaction Documents.
- 13.9 **Absence of Certain Changes Since Accounts Date**

Since the Accounts Date, there has been no Material Adverse Effect on the Company, and:

- (a) the Business of the Company has been carried on in the Ordinary Course of Business, and the Company has not made or agreed to make any payment other than routine payments in the Ordinary Course of Business;

- (b) no dividend or other distribution has been declared, paid or made by the Company, and no purchase or redemption has been made, directly or indirectly, of the Equity Shares or other Securities of the Company;
- (c) the Company has not issued or sold any Equity Shares or other Securities, or issued, sold, granted or entered into any subscriptions, options, warrants, conversion or other rights, Contracts, commitments, arrangements or understandings of any kind, contingently or otherwise, to purchase or otherwise acquire any such Equity Shares or other Securities other than in the manner contemplated in the Transactions Documents;
- (d) there has been no material change in the level of borrowing or in the working capital requirements of the Company;
- (e) no individual Contract (whether in respect of capital expenditure or otherwise) has been entered into by the Company which is of a long term or unusual nature or which involved or could involve an obligation of a material nature or magnitude (a liability for expenditure in excess of INR 1,00,00,000 (Rupees One Crore) being deemed as material for this purpose);
- (f) the Company has not, except in the Ordinary Course of Business, acquired or disposed of, or agreed to acquire or dispose of, any individual business or asset other than in the manner contemplated in the Transactions Document;
- (g) no debtor has been released by the Company on terms that it pays less than the book value of its debt and no debt owing to the Company has been deferred, subordinated or written off or has proved to any extent irrecoverable;
- (h) no change has been made in terms of employment, including pension or provident fund commitments, by the Company (other than those required by Applicable Law);
- (i) except in the Ordinary Course of Business, the Company has not entered into, adopted or amended any employment, consulting, retention, change in control, collective bargaining, bonus or other incentive compensation, profit sharing, health or other welfare, stock option or other equity, pension, retirement, vacation, severance, deferred compensation or other employment, compensation or benefit plan, policy, Contract, trust, fund or arrangement for the benefit of any officer, director, employee, sales representative, agent, consultant or Affiliate (whether or not legally binding);
- (j) the Company has not suffered any damage, destruction or loss (whether or not covered by insurance), in excess of INR 1,00,00,000 (Rupees One Crore), or any strike or other employment related problem, or any material change in relations with (other than in compliance with the terms of the Contract with such supplier or customer), or any loss of, a supplier or customer;
- (k) except in the Ordinary Course of Business, the Company has not entered into any affiliated or Related Party transactions, Contracts or arrangements between the Company and the SGS Promoters or their Affiliates, and any transaction, Contract or arrangement between the Company and any entity or firm in which any of the SGS Promoters or their Affiliates has a financial interest of more than 5% (five per cent.) in the aggregate;



- (l) the Company has not repaid any borrowing or Indebtedness in advance of its stated maturity;
- (m) there has been no material increase or decrease in the levels of debtors or creditors or in the average collection or payment periods for the debtors and creditors respectively;
- (n) the Company has not subjected to any Encumbrance any of its properties or assets, tangible or intangible;
- (o) the Company has not changed in any respect its accounting practices, policies or principles except as required under Applicable Law;
- (p) the Business of the Company has not been materially affected by any abnormal factor not affecting, to a similar extent, generally all companies carrying on similar businesses in India; and
- (q) the Company has not taken any action or omitted to take any action that would contravene any of the foregoing.

#### **13.10 Past Transactions in accordance with Applicable Laws**

All material transactions undertaken by the Company have been carried out in accordance with all Applicable Laws.

#### **13.11 Debts Owed to the Company**

There are no debts owing to the Company other than trade debts incurred in the ordinary and usual course of business (none of which exceeds INR 2,75,00,000 (Rupees Two Crores Seventy Five Lakhs)) individually, and which do not exceed INR 5,00,00,000 (Rupees Five Crores) in aggregate).

#### **13.12 Debts Owed by the Company**

- (a) The Company does not have outstanding any borrowings or Indebtedness in the nature of borrowings other than from banks, financial institutions and factoring agencies (including, without limitation, any Indebtedness for money borrowed or raised under any acceptance credit, bond, note, bill of exchange or commercial paper, finance lease, hire purchase Contract, trade bills, forward sale or purchase Contract or conditional sale Contract or other transaction having the commercial effect of a borrowing), except money borrowed from third parties none of which exceeds INR 1,00,00,000 (Rupees One Crore) individually (which do not exceed INR 5,00,00,000 (Rupees Five Crores) in aggregate) as disclosed in the accounts.
- (b) The Company has not received any notice to repay under any Contract relating to any borrowing or Indebtedness which is repayable on demand.
- (c) Trade debts incurred by the Company in the ordinary course of business and outstanding as at the date hereof do not exceed INR 5,00,000,000 (Rupees Fifty Crores) in aggregate.

### **14. REGULATORY MATTERS.**

#### **14.1 Consents and Governmental Approvals**

- (a) The Company has obtained all requisite consents, licenses, registrations, accreditations, no-objection certificates and Governmental Approvals for the conduct of its Business as presently conducted, and no other consents or Governmental Approvals are necessary.
- (b) Each of the licenses, registrations, accreditations, no-objection certificates, consents and Governmental Approvals obtained by the Company is in full force and effect, and has been complied with in all material respects.
- (c) To the best knowledge of the SGS Promoters and/or the Company, there is no Litigation pending or threatened that would result in the termination, revocation, cancellation, suspension, modification or non-renewal of any of such consents or Governmental Approvals.
- (d) There is no notice of any Litigation received by the SGS Promoter and/or the Company, including in relation to any insolvency proceedings or the Properties.
- (e) There are no circumstances which to the best knowledge of the Company and/or the SGS Promoters, indicate that any such consents and Governmental Approvals will or are likely to be terminated, revoked, cancelled, suspended, modified or cannot be renewed, in whole or in part, in the Ordinary Course Of Business, consistent with past practice (whether as a result of this Agreement or otherwise), and to the best knowledge of the Company and/or SGS Promoters, there is no reasonable basis for such termination, revocation, cancellation, suspension, modification or non-renewal.
- (f) The plant situated at Plot No. 211 Jigani - Bommasandra Industrial Area, Jigani, Bangalore, is operational and has been set up and operating in material compliance with Applicable Law.

#### 14.2 Compliance

- (a) The Company has not contravened or been in conflict with, or in violation or breach of or default under (with or without the giving of notice or the lapse of time or both) (i) any Applicable Law or any of its properties, assets, operations or the Business, including but not limited to the Special Economic Zones Act, 2005; (ii) any Governmental Approval or consent applicable to the Company; (iii) any order, judgment or decree of any court or other Governmental Authority to which the Company is a party or by which any of their respective assets or properties may be bound or affected; (iv) any provision of its existing Charter Documents; or (v) any Contract to which the Company is a party or by which any of their respective assets or properties may be bound or affected, in each case which may have a Material Adverse Effect in the conduct of its Business.
- (b) The Company has not received any written notice and has no knowledge of any claim alleging any such conflict, contravention, violation, breach or default and has not received any written communication from any Person regarding the failure to obtain any consent, in each case which may have a Material Adverse Effect in the conduct of its Business.

#### 15. COMPANY'S ASSETS.

For the purposes of this Warranty, *assets* shall not include the Properties, to which the provisions of paragraphs 8 and 10 of this Schedule shall apply.

### 15.1 **Ownership**

All the assets included in the accounts or acquired or used since the Accounts Date (other than assets sold in the ordinary course of business) are the absolute property of the Company, free and clear of any Encumbrance or have been duly licensed to the Company.

### 15.2 **Possession and Third Party Facilities**

- (a) All of the assets owned by the Company, or in respect of which the Company has a right of use, are in the possession or under the control of the Company.
- (b) To the best knowledge of the Company and/or SGS Promoters, where any assets are used in the Business of the Company but not owned by the Company or any facilities or services are provided to the Company by any third party, there has not occurred any event of default or any other event or circumstance (other than the expiry of any Contract in the normal course) which may entitle any third party to terminate any Contract or licence in respect of the provision of such facilities or services.

### 15.3 **Adequacy of Assets**

The assets of the Company and the facilities and services to which the Company has a contractual right include all rights, properties, assets, facilities and services necessary for the carrying on of the Company's Business in the manner in which it is presently carried on and is contemplated to be carried on.

### 15.4 **Cash**

Since the Accounts Date, the cash balances of the Company have not been materially reduced by any payments except for amounts payable in the ordinary and usual course of business.

### 15.5 **Insurance**

- (a) The Company is insured with reputable insurers. The Company's insurances are in full force and effect, all premiums due thereon have been paid and the Company is not in default thereunder.
- (b) The insurance policies held by the Company are on such terms (including without limitation as to deductibles and self-insured retentions), cover such risks, contain such deductibles and retentions and are in such amounts as are (i) customarily held by companies of established reputation engaged in the same or similar business as the Company, and (ii) required pursuant to the provisions of any material Contract the Company is party to. To the best knowledge of the Company and/or SGS Promoters, the insurance coverage provided by such policies is adequate and suitable for the Company's Business and operations.
- (c) No claim is outstanding by the Company under any policy of insurance held by it and, to the best of the SGS Promoters' and the Company's knowledge, there are no circumstances likely to give rise to such a claim.

## 16. **INTELLECTUAL PROPERTY AND INFORMATION TECHNOLOGY.**

### 16.1 **Registered Rights**

The Company does not own and has not registered any trademarks, service marks, trade dresses, domain names, logos, patents, designs, corporate names, slogans and industrial designs.

## 16.2 **Charges**

The Intellectual Property Rights which are otherwise used by the Company are not subject to any Encumbrance.

## 16.3 **Infringement**

- (a) No part of the Business of the Company infringes, or is likely to infringe, any rights held by any third party or involves the unauthorized use of confidential information disclosed to the Company in circumstances which might entitle a third party to make a claim.
- (b) No claim has been made by any third party which alleges any infringing act or process which would fall within paragraph 16.3 (a) or which otherwise disputes the right of the Company to use any IP Rights relating to the Business and neither the Company nor the SGS Promoters are not aware of any circumstances (including any act or omission to act) likely to give rise to such a claim.
- (c) To the best knowledge of the Company and/or SGS Promoters, there exists no infringement by any third party of any IP Rights held or used by the Company (including misuse of confidential information) or any event likely to constitute such an infringement nor has the Company acquiesced in the unauthorized use by any third party of any such IP Rights.

## 16.4 **Employee Claims**

No claims have been made or to the best knowledge of the Company and/or the SGS Promoters, threatened by present employees or ex-employees of the Company, against the Company.

## 16.5 **Intellectual Property Licences**

The Company is not in material default under any licence, sub-licence or assignment granted to it in respect of any IP Rights used in relation to its Business.

## 16.6 **Loss of Rights**

To the best knowledge of the Company and/or SGS Promoters, no IP Rights owned or used by the Company in relation to its Business and no licence of IP Rights of which the Company has the benefit, will be lost, or rendered liable to any right of termination or cessation by any third party, by virtue of the performance of the terms of this Agreement and the other Transaction Documents.

## 16.7 **Confidential Information**

Where information of a confidential nature has been developed or acquired by the Company for the purposes of its Business prior to the date hereof, such information (except insofar as it has fallen into the public domain through no fault of the Company) or disclosed as required under Law or disclosed as required for the purpose of performing obligations under this Agreement or any other Transaction Documents, has been kept strictly confidential and has not been disclosed otherwise than subject to an obligation of confidentiality being imposed on the Person to whom the information was disclosed. The Company and/or the SGS Promoters are not aware of any breach of such confidentiality obligations by any third party.

## 16.8 Records and Software

- (a) All the records and systems (including but not limited to computer systems) and all data and information relating to the Company are recorded, stored, maintained or operated or otherwise held by the Company and are not wholly or partly dependent on any facilities which are not under the exclusive ownership or control of the Company.
- (b) The Company is licensed to use all software necessary to enable it to continue to use its computerised records for the foreseeable future in the same manner in which they have been used prior to the date of this Agreement and does not share any user rights in respect of such software with any other Person.
- (c) The Company has taken all reasonable standard precautions (in accordance with good regulatory practice) to protect its information technology systems against viruses, bugs or things which distort their proper functioning, permit unauthorized access or disable them without the consent of the user.

## 17. MARKETING INFORMATION.

- 17.1 All Marketing Information used by the Company is owned by or is the subject of a valid grant of rights to the Company and is not subject to any restriction which could materially or adversely affect the Company's ability to use it for the purposes of its Business.
- 17.2 The Company has not, except in the normal and proper course of the Company's Business or pursuant to requirements of Applicable Law, disclosed or is obliged to disclose any Marketing Information of a confidential nature to any Person other than its employees.
- 17.3 To the best knowledge of the Company and/or the SGS Promoters, the Company is not in breach of any Contract under which any Marketing Information was or is to be made available to it.

*For the purposes of this Clause: Marketing Information* means all information of the Company, relating to the marketing of any products or services of the Company, including customer names and lists, market share statistics, marketing surveys and reports, marketing research and any advertising or other promotional material.

## 18. CONTRACTUAL MATTERS.

### 18.1 Material Contracts

- (a) There is no outstanding Contract to which the Company is a party: other than those disclosed in the Accounts, which relates to Indebtedness (whether incurred, assumed, guaranteed or secured by any asset);
- (b) which, by virtue of the execution, delivery or performance of the terms of this Agreement and the other Transaction Documents (and otherwise contemplated under the terms of this Agreement and the Transaction Documents), will result in:
  - (i) any other party being relieved of any obligation or becoming entitled to exercise any right (including any right of termination or any right of pre-emption or other option); or
  - (ii) the Company being in default under any such Contract or losing any benefit, right or licence which it currently enjoys or in a liability or obligation of the Company being created or increased;

- (c) which was entered into otherwise than in the Ordinary Course of Business by way of bargain at arm's length (including, without limitation, in respect of shared facilities);
- (d) which establishes any joint venture, consortium, partnership or profit (or loss) sharing Contract or arrangement;
- (e) which relates to the acquisition or disposition of any business, a material amount of stock or assets of any other Person or any material real property (whether by merger, sale of stock, sale of assets or otherwise);
- (f) which (i) limits the freedom of the Company to compete in any line of business or with any Person or in any area or which would so limit the freedom of the Company after the Closing Date; or (ii) contains exclusivity obligations or restrictions binding on the Company or that would be binding on the Company after the Closing Date;
- (g) under which (i) any Person has directly or indirectly guaranteed any liabilities or obligations of the Company, or (ii) the Company has directly or indirectly guaranteed any liabilities or obligations of any other Person (in each case, other than endorsements for the purpose of collection in the ordinary course of business);
- (h) which involves or to the best knowledge of the Company and/or SGS Promoters is likely to involve (i) expenditure by the Company in excess of INR 5,00,00,000 (Rupees five crore), or (ii) obligations or restrictions on the Company not in the ordinary and usual course of its business;
- (i) which establishes any agency, distributorship, marketing, purchasing, manufacturing or licensing Contract or arrangement; or
- (j) which is a recognition, procedural or other Contract between the Company and any recognized independent trade union.

## 18.2 Defaults

- (a) Each contract in excess of INR 1,00,00,000 (Rupees one crore), to which the Company is a party is adequately stamped and where required to be registered, is registered, and is a legal, valid and binding obligation of the each party thereto, in full force and effect in all respects and enforceable against each party thereto and , to the best knowledge of the Company and/or SGS Promoters, is being performed in accordance with its terms.
- (b) The Company is not in default under any contract in excess of INR 1,00,00,000 (Rupees one crore), to which it is a party and has not received written notice of any such default, and to the best knowledge of the Company and/or SGS Promoters, there are no circumstances likely to give rise to such a default.
- (c) No party with whom the Company has entered into any Contract or arrangement is in material default under it and to the best of the Company's and the SGS Promoters' knowledge, there are no circumstances likely to give rise to such a default.
- (d) The enforceability of each Contract to which the Company is a party will not be affected in any manner by the execution, delivery or performance of this Agreement and the other Transaction Documents or the sale of the Sale Shares to the Purchaser in accordance with the terms of this Agreement, and no Contract contains any change in

control or other terms or conditions that will become applicable or inapplicable as a result of the consummation of the transactions contemplated hereby and thereby.

- (e) There are no outstanding claims or liabilities for breach and the Company has not received notice of any alleged breach of any restrictive covenants or any allegations of defamation, against the Company.
- (f) There are no events of default which have taken place, under any of the loan / security documentation, in respect of the Company.

### 18.3 **Grants**

Nothing has been done, agreed to be done or omitted to be done as a result of which either (a) any investment or other grant paid for use by the Company is liable to be refunded in whole or in part or (b) any such grant for which application has been made will or may not be paid or may be reduced (whether as a result of the transactions contemplated by this Agreement and the other Transaction Documents or otherwise).

### 18.4 **Connected Person / Concern**

- (a) No Related Party of the Company and the SGS Promoters is or has at any time been a party to (directly or indirectly, including by the provision of any security by or in favour of or for securing obligations of the Company) any Contract in any way relating to the Company or its activities, including, without limitation, any Contract for the provision of finance, goods, services or other facilities to or by the Company or ownership of any property or assets used by the Company, nor are any amounts owed to or receivable from (whether contingently or otherwise) the Company by the SGS Promoters or any such Related Party and no such Contracts are currently pending.
- (b) No amounts or obligations are currently owed or outstanding between the Company and the SGS Promoters, or any of the aforementioned Related Party/s, any Person or entity connected with the SGS Promoters.

## 19. **LITIGATION AND INVESTIGATIONS.**

### 19.1 **Litigation**

- (a) To the best knowledge of the SGS Promoters and/or the Company, the Company is not a claimant or defendant in or otherwise a party to any Litigation which is pending, or, to the best of the Company's and the SGS Promoters' knowledge, threatened by or against or concerning the Company, any of its properties, revenues or assets or any of its directors or officers in connection with the Company. To the best knowledge of the Company and/or SGS Promoters, no governmental or official investigation or inquiry concerning the Company is in progress or pending.
- (b) The SGS Promoters and / or the Company has not received any notice in relation to any Litigation.
- (c) To the best knowledge of the Company and/or the SGS Promoters, there are no circumstances which are likely to give rise to any such Litigation, proceeding, investigation or inquiry as is referred to in paragraph 19.19.1(a) above.
- (d) To the best knowledge of the Company and/or the SGS Promoters, there is no injunction, writ, preliminary restraining order or any order of any nature issued by an

arbitrator, court or other Governmental Authority affecting the Company, any of its properties, revenues or assets, or any of its directors or officers or the SGS Promoters, in connection with the Company.

## **20. DIRECTORS AND EMPLOYEES.**

### **20.1 Agreements**

- (a) There are no collective bargaining Contracts, profit sharing, pension, retirement, bonus incentive, compensation, option or benefit plan, employment, consulting or severance Contracts and there are no labour unions or to the best of the Company's and the SGS Promoters' knowledge, other organizations representing, purporting to represent or attempting to represent any employees of the Company.
- (b) There is not in existence any written or unwritten Contract of employment with a director or an employee of the Company (or any contract for services with any Person) which cannot be terminated by 3 (three) months' notice or less.

### **20.2 Compliance**

- (a) The Company has in relation to each of its employees materially complied with all statutes, regulations, codes of conduct, collective bargaining Contracts, terms and conditions of employment, orders and awards relevant to their terms and conditions of service between the Company and its employees or any recognized trade union, staff association or other body representing its employees or any of them.
- (b) The Company is in compliance with all material applicable labour welfare legislations under Applicable Law, including without limitation, the Employees Provident Fund and Miscellaneous Provisions Act, 1952, Employees' State Insurance Act, 1948, Payment of Gratuity Act, 1972, Payment of Bonus Act, 1955, Equal Remuneration Act, 1967, Payment of Wages Act, 1936, Minimum Wages Act, 1948, Maternity Benefit Act, 1961, Contract Labour (Regulation and Abolition) Act, 1970, Apprentices Act, 1961 and the Sexual Harassment at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (including in each case, the rules thereunder), including in respect of all contributions required to be made by the Company having been fully funded in accordance with the provisions thereof and all statutory dues being paid without any defaults save and except in the case of any delayed filings.

### **20.3 Disputes**

No dispute has arisen between the Company and a material number or category of its employees (or any trade union or other body representing all or any of such employees) and to the best knowledge of the Company and/or SGS Promoters there are no present circumstances which are likely to give rise to any such dispute.

### **20.4 Stock Option Schemes**

The Company does not have in existence any employee stock option, stock purchase, stock appreciation rights, phantom stock option, or other such schemes.

### **20.5 Benefit Plans**

With respect to each Benefit Plan:



- (a) all employer and employee contributions to each Benefit Plan required under Applicable Law or by the terms of such Benefit Plan have been made, or, if applicable, accrued in accordance with GAAP;
- (b) the fair market value of the assets of each funded Benefit Plan, the liability of each insurer for any Benefit Plan funded through insurance or the book reserve established for any Benefit Plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations, as of the Closing Date, with respect to all current and former participants in such plan according to the actuarial assumptions and valuations most recently used to determine employer contributions to such Benefit Plan and none of the transactions contemplated hereby or by the other Transaction Documents shall cause such assets or insurance obligations to be less than such benefit obligations; and
- (c) each Benefit Plan required to be registered has been registered and has been maintained in good standing with applicable Governmental Authorities.

For the purposes of this para 19.5, Benefit Plan means the employee pension, benefit and other employee welfare plans of the Company;

## **20.6 Payments on Termination**

- (a) Except to the extent (if any) to which provision or allowance has been made in the accounts, no material outstanding liability has been incurred by the Company for breach of any Contract of employment or for services or redundancy payments, protective awards, compensation for wrongful dismissal or unfair dismissal or for failure to comply with any order for the reinstatement or re-engagement of any employee or for any other liability accruing from the termination of any contract of employment or for services.
- (b) Unless required by Applicable Law, or pursuant to terms of engagement, no gratuitous payment has been made or benefit given (or promised to be made or given) by the Company in connection with the actual or proposed termination or suspension of employment or variation of any contract of employment of any present or former director or employee.

## **20.7 Effect of Agreement**

- (a) Neither the execution, delivery and performance of this Agreement and the other Transaction Documents, the sale of the Sale Shares to the Purchaser, nor the consummation of the transactions contemplated hereby and thereby, will result in any payment (whether of severance pay or otherwise) becoming due from the Company to any director, officer, employee or shareholder thereof.
- (b) So far as the Company and/or the SGS Promoters' are aware, no Key Managerial Personnel intends to resign or, subsequent to the Accounts Date, has resigned.

## **21. INSOLVENCY, ETC.**

- 21.1 To the best knowledge of the Company and/or the SGS Promoters, no order has been made, petition presented or meeting of the Company convened for the purpose of considering a resolution for the winding up of the Company or for the appointment of any provisional liquidator. To the best knowledge of the Company and/or the SGS Promoters, no steps have been taken by any Person with a view to the appointment of an administrator (whether out of

court or otherwise) and no administration order has been made in relation to the Company. No receiver (including any administrative receiver) has been appointed in respect of the whole or any part of any of the Leased Properties and Owned Properties, assets and / or undertaking of the Company.

- 21.2 The Company and / or the SGS Promoters have not received any notice in relation to any insolvency proceedings regarding the Company or any of the SGS Promoters.
- 21.3 No distress, distraint, charging order, garnishee order, execution or other process has been granted, levied or to the best knowledge of the Company and/or the SGS Promoters, been applied for in respect of the whole or any part of any of the Property, assets and / or undertaking of the Company.
- 21.4 The Company is not insolvent and has not stopped paying debts as they fall due.
- 21.5 No guarantee, loan capital, borrowed money or interest for which the Company is liable is overdue for payment and no other obligation or Indebtedness of the Company is outstanding which is substantially overdue for performance or payment.
- 21.6 To the best knowledge of the Company and/or the SGS Promoters, the Company has not received any notices, in respect of the matters listed in paragraph 21.

## **22. CORRUPT PRACTICES.**

- 22.1 None of the Company and the SGS Promoters have, whether in connection with the transactions contemplated hereby and by the other Transaction Documents or otherwise, made improper payments to public officials in order to secure a business advantage for the Company, and the Company and the SGS Promoters have been in compliance with all material Applicable Laws relating to anti-money laundering and follow ethical business practices.
- 22.2 None of the Company and the SGS Promoters including the members of the Board have violated, and nor have they instructed Key Managerial Personnel and employees to violate and nor any directions have been provided by the Company to the Company's representatives to violate any provision of the Anti-Bribery laws or anti-money laundering laws, directly and / or indirectly, in relation to the Business of the Company.

## **23. COMPLIANCE WITH ANTI-CORRUPTION LAWS.**

- 23.1 The Company and SGS Promoters represent and warrant that they, and they have not instructed the directors and employees of the Company and / or its Subsidiaries (to the extent instructed by the Company):
  - (a) have not, whether in connection with the proposed Transfer of Sale Shares contemplated herein, in conducting the Business operations or otherwise:
    - (i) made improper payments to public officials in order to secure a business advantage;
    - (ii) offered, provided or received any prohibited gratuities, bribes, gifts, entertainment, facilitating payments, or anything of value to or for the benefit of a Governmental Authority (whether Indian or any relevant foreign equivalent) or to any person under circumstances where such person knows that all or a portion of such money or thing of value shall be offered, given or

promised to any Governmental Authority (whether Indian or any relevant foreign equivalent), for the purpose of:

- (A) influencing any act or decision of such Governmental Authority (whether Indian or any relevant foreign equivalent) in their official capacity; or
- (B) inducing such Governmental Authority (whether Indian or any relevant foreign equivalent) to do or omit to do any act in relation to their lawful duty; or
- (C) securing any improper advantage; or
- (D) inducing such Governmental Authority (whether Indian or any relevant foreign equivalent) to influence or affect any act or decision of any Governmental Authority (whether Indian or any relevant foreign equivalent); or
- (E) assisting the Company and/or its Subsidiaries in obtaining or retaining business for or with, or directing business to the Company and / or its Subsidiaries.

(iii) engaged in activities or transactions with sanctioned or blacklisted countries or individual parties (as may be sanctioned / blacklisted by the United States, United Kingdom or India) contrary to Applicable Laws;

(b) have complied with anti-money laundering, anti-corruption and anti-bribery practices and policies, as put in place by the Company, that are compliant with all Applicable Laws; and

(c) followed ethical business practices.

(d) No directions have been provided by the Company to any Persons acting for or on behalf of the Company which would violate the principles set out above in paragraph 23.1.

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

23.3 The provisions of this paragraph 23 above shall apply:

(a) to the Company, Subsidiaries and their employees irrespective of their geographic location to the extent set out in paragraph 23; and

(b) to the Anti-Bribery Laws applicable to such Persons listed in paragraph 23 above to the extent set out in this paragraph 23.

## **24. BROKERS.**

24.1 No broker, agent, finder, consultant or other person has been retained by, or has acted on behalf of the Company in such a manner as to give rise to any valid claim against the Company for any brokerage or finder's commission, fee or similar compensation, or for any bonus payable to any representative of the Company based upon any Contract made by the Company in

connection with any of the transactions contemplated hereby or by the other Transaction Documents.

**25. IMMUNITY.**

25.1 Neither the Company nor any of its assets or properties has any immunity from the jurisdiction of any court or Governmental Authority or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution or otherwise).

**26. ENVIRONMENTAL MATTERS.**

26.1 The Company has complied and is in compliance with all applicable Environmental Laws and has obtained and is in compliance with all applicable environmental consents. No notice of violation, notification of liability or request for information has been received by the Company, and no Litigation is pending or, to the best knowledge of the Company and/or the SGS Promoters, threatened by any Person involving the Company relating to or arising out of any Environmental Law. No order has been issued, and to the best of the Company's and the SGS Promoters' knowledge, no penalty or fine has been assessed involving the Company relating to or arising out of any Environmental Law.

26.2 No hazardous substances are located and no releases of hazardous substances have occurred at, on, above, under or from any properties currently or formerly owned, leased, operated or used by the Company that has resulted in or to the best knowledge of the Company's and/or the SGS Promoters, would reasonably be expected to result in any cost, liability or obligation of the Company under any Environmental Law.

26.3 Neither the Company nor to the best knowledge of the Company and/or the SGS Promoters, any other Person on the Company's behalf has caused or taken any action that could reasonably be expected to result in any liability relating to the Environmental Laws at, on, above, under, or about any Properties or assets currently owned, leased, operated or used by the Company.

26.4 No material construction or material capital expenditure is required in respect of the Properties and assets of the Company in order to comply with any Environmental Law.

26.5 The Company has provided to the Purchaser, upon the latter's specific request, all environmental site assessments, audits, investigations, studies, inspection reports, pre-establishment approvals and acceptance opinions in the possession, custody or control of the Company, relating to Properties or assets currently or owned, leased, operated or used by the Company.

**Annexure 1 to Schedule VI**

<b>Name of SGS Promoter</b>	<b>PAN</b>
SANJIV NARAYAN	AAAPN0933B
RANJEET SINGH LONIAL	AAAPL0885C
KRISHNA KUMAR PANT	AAAPP3981D
JASBIR SINGH GUJRAL	AAAPG4124F

## SCHEDULE VII: DEED OF ADHERENCE

This Deed of Adherence (**Deed**) is made on [•]<sup>1</sup> by and between:

- (1) [•]<sup>2</sup> (the **New Party**), [a company incorporated in [•]<sup>3</sup> with its registered office at [•]<sup>4</sup>]; and
- (2) Each of the parties (together the **Beneficiaries**) to the Share Sale and Purchase and Shareholders Agreement dated [•], 2020 made between [•]<sup>5</sup>[as amended by the [•]<sup>6</sup>] (the **SSPSHA**).

### **Background:**

- (1) [•] (the **Relevant Party**) has [transferred [•]<sup>7</sup> (the “**Relevant Shares**”)] [assigned its right to [•]<sup>8</sup> under the SSPSHA]<sup>9</sup> to the New Party.
- (2) It is a condition of [Clause [•]], and [Clause [•]]<sup>10</sup> of the SSPSHA that the New Party executes this Deed.

### **Now this Deed witnesses as follows:**

#### **1. Definitions**

Unless otherwise defined herein, all capitalized terms used in this Deed shall have the meanings assigned to them in the SSPSHA.

#### **2. Adherence by the New Party to the SSPSHA**

- 2.1 In consideration of the rights and entitlements of the New Party under the SSPSHA, the New Party hereby undertakes and covenants to each of the Beneficiaries that as from the date of the execution of this Deed, it shall be bound by and shall observe and discharge all the terms and conditions of the SSPSHA applicable to the New Party in all respects as though the New Party had been originally named in the SSPSHA as a Party [in place of the Relevant Party], and the SSPSHA shall be construed accordingly.
- 2.2 The New Party hereby confirms to the Beneficiaries that it has received a copy of the SSPSHA and has read and understands, the SSPSHA and covenants, agrees and confirms that all provisions of the SSPSHA are applicable to it as if it was an original party thereto, including with respect to all the rights and obligations of the Relevant Party contained therein.

---

<sup>1</sup> Drafting note: insert date of execution of the Deed

<sup>2</sup> Drafting note: insert name of the transferee or (where the Deed is being made in connection with an assignment by Syrma) assignee (as applicable)

<sup>3</sup> Drafting note: insert place of incorporation/ establishment of the New Party

<sup>4</sup> Drafting note: insert address of the registered office of the New Party

<sup>5</sup> Drafting note: insert names of all Parties to the SSPSHA at the relevant time, including all entities that have become a Party to the SSPSHA pursuant to the execution of a Deed of Adherence in accordance with the terms of the SSPSHA, prior to the date of this Deed

<sup>6</sup> Drafting note: insert details of any amendments to the SSPSHA and any other Deeds of Adherence which have been entered into prior to the date of this Deed, pursuant to the terms of the SSPSHA

<sup>7</sup> Drafting note: insert details of the Shares transferred to the New Party

<sup>8</sup> Drafting note: insert brief description of the rights assigned to the New Party

<sup>9</sup> Drafting note: delete where the Deed is being made in connection with a transfer of Shares pursuant to clause [•]

<sup>10</sup> Drafting note: delete where the Deed is being made in connection with a transfer of Shares pursuant to clause [•]

3. **Representation and Warranties**

3.1 The New Party represents and warrants to the Beneficiaries as of the date of this Deed, that:

- (a) it has the requisite capacity, power and authority and has obtained all requisite permissions, consents and Approvals to enter into and to observe and perform this Deed and to consummate the transactions contemplated hereunder and under the SSPSHA, and the Person executing this Deed on behalf of the New Party has full authority to sign and execute this Deed on behalf of the New Party;
- (b) the execution, delivery and consummation of, and the performance and observance by the New Party of this Deed and the performance and observance by the New Party of this Agreement, will not:
  - (i) conflict with, violate, result in or constitute a breach of or a default under, any Applicable Law and/ or its memorandum of association or articles of association; or
  - (ii) conflict with, violate, or result in or constitute a breach or default, or permit termination, modification, or acceleration (whether with notice, lapse of time and/ or otherwise), of any contract by which it and/ or any of its assets is bound or affected; or
  - (iii) require any consent or approval to be obtained from any Person or any notice, filing, report or intimation to be made or given to any Person, including under any contract by which it and/ or any of its assets is bound or affected.

3.2 The execution of this Deed will constitute legal and binding obligations on the New Party.

4. **Notices**

For the purpose of Clause 26 of the SSPSHA, the address of the New Party is:

Address: [●]

Fax: [●]

Email: [●]

5. **Dispute Resolution**

This Deed shall be governed by, and construed in accordance with Clause [ ] of the SSPSHA.

IN WITNESS WHEREOF this Deed has been executed on the date stated at the beginning of this Deed:

SIGNED by )  
 for and on behalf of )  
 [●]<sup>11</sup> )

in the presence of: )  
 SIGNED by )

<sup>11</sup> Drafting note: insert name of New Party.

for and on behalf of )  
[●]<sup>12</sup> )  
in the presence of: )

---

<sup>12</sup> Drafting note: insert name and signature block for the relevant beneficiary.



**SCHEDULE VIII: MD/ CHAIRMAN APPOINTMENT OF THE COMPANY**

<b>Name of the SGS Promoter</b>	<b>Managing Director</b>	<b>Chairman</b>
<b>JSG</b>	=	April 1, 2020 to March 31, 2022
<b>RSL</b>	April 1, 2020 to March 31, 2022	April 1, 2022 to March 31, 2024
<b>KKP</b>	April 1, 2022 to March 31, 2024	April 1, 2024 till attaining 67 years

**SCHEDULE IX: DETAILS OF POWER OF ATTORNEY**

<b>Name of the SGS Promoter</b>	<b>Name of the Promoter Family Seller</b>	<b>Details of power of attorney</b>	<b>Number of Sale Shares</b>
Mr. Sanjiv Narayan	Mrs. Sushma Narayan	Power of Attorney dated September 11, 2020 granted in favour of Mr. Sanjiv Narayan	1422
Mr. Ranjeet Singh Lonial	Mrs. Bhavanjit Kaur Lonial	Power of Attorney dated September 11, 2020 granted in favour of Mr. Ranjeet Singh Lonial	1422
Mr. Krishna Kumar Pant	Mrs. Usha Pant	Power of Attorney dated September 11, 2020 granted in favour of Mr. Krishna Kumar Pant	1422
Mr. Jasbir Singh Gujral	Mrs. Sukhbir Kaur Gujral	Power of Attorney dated September 11, 2020 granted in favour of Mr. Jasbir Singh Gujral	1422

## **SCHEDULE X: POST-CLOSING ACTIONS**

- (a) The Company shall deliver to the Purchaser a certified copy of the register of members, register of transfers and register of directors as at the Closing Date, certified by a Director (other than the Syrma Director);
- (b) The Company shall file MGT-14 (Registration of Resolutions) and DIR-12 (appointment of Syrma Director) with the Registrar of Companies; and deliver to the Purchaser copies of all such filings;
- (c) The Company shall no later than 30 (thirty) days from Closing, make the application seeking to obtain the amended certificate of importer-exporter code within 90 (ninety) days from Closing, from the Director General of Foreign Trade, Ministry of Commerce & Industry, Government of India, in respect of the change in constitution of the Company and ownership of the Company upon Closing;
- (d) The Company shall no later than 15 (fifteen) days from Closing, intimate the Regional Commissioner under the Employees' Provident Funds Scheme, 1952 of the change in the composition of the Board;
- (e) The Company shall execute undertakings with each of its employees (including Key Managerial Personnel) and include provisions pertaining to non-solicitation, non-compete, confidentiality, assignment of Intellectual Property Rights and arbitration as dispute resolution, in a form acceptable to the Purchaser;
- (f) The Company shall obtain registration of its equal opportunity policy with the Chief Commissioner or the State Commissioner, as the case may be, under the Rights of Persons with Disabilities Act, 2016;
- (g) The Company shall ensure that the license under the Contract Labour (Regulation and Abolition) Act, 1970 is duly obtained by Nirmala Enterprises.
- (h) The Company shall pass a Board resolution ratifying each transaction entered into between the Company and the SGS Germany in the FY 2019-2020 in the immediately subsequent Board meeting to the Closing;
- (i) The Company shall intimate M/s SGS Infosystems Private Limited in relation to the lease agreement dated March 5, 2018 entered into with M/s SGS Infosystems Private Limited and the Company for the premises located at basement, ground, 1<sup>st</sup> and 2<sup>nd</sup> floor of the plant in Manesar, to amend the effective date from April 1, 2026 to April 1, 2016;
- (j) The Company shall submit the latest shareholding pattern duly certified by a chartered accountant, specifically indicating the number of shares held by each promoter/director, along with details of the issues, subscribed and paid-up share capital of the Company, as required under the agreement dated December 6, 2004 with Himachal Pradesh State Development Industrial Development Corporation Limited;
- (k) The Company shall submit the latest shareholding pattern duly certified by a chartered accountant, specifically indicating the number of shares held by each promoter/director, along with details of the issues, subscribed and paid-up share capital

of the Company, as required under the agreement dated January 14, 2009 with Himachal Pradesh Development Corporation;

- (l) The Company shall no later than 15 (fifteen) days from Closing, intimate the following relevant authorities, of the change in the composition of the Board of the Company: (i) the authority under the Micro, Small and Medium Enterprise Development Act, 2006; (ii) the relevant pollution control board for the plants in Solan and Bangalore as required under the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste and Other Wastes (Management and Transboundary Movement) Rules, 2016; (iii) the designated officer of the Software Technology Park of India in relation to its plant in Gurgaon; and (iv) the assistant commissioner of central excise for its plant in Gurgaon.
- (m) The Company shall, update the register of contracts and arrangements in which directors are interested, maintained by the Company to reflect all the transactions entered into by the Company with SGS Germany;
- (n) The Company shall obtain the updated principal employer registrations under the Contract Labour (Regulation and Abolition) Act, 1970, in respect of its plants in Gurgaon;
- (o) The Company shall file applications for registration of the corporate name used by the Company;
- (p) The Company shall in respect of its plant in Solan, obtain from the Himachal Pradesh State Control Pollution Board make an application to obtain the: (i) renewed consent to operate for plant at plot No 88 at Baddi; and (ii) renewed authorisation required under rule 6 of the Hazardous Waste and Other Wastes (Management and Transboundary Movement) Rules, 2016 for plant at plot No 89 at Baddi;
- (q) The Company shall obtain the authorisation under the E-Waste Management Rules, 2016, in respect of its plant situated at Survey no. 27/4, JR Teck Park, Bangalore;
- (r) The Company shall obtain the renewed no-objection certificate from the relevant local chief fire officers, for its plants in Gurgaon and Bangalore;
- (s) The Company shall obtain duplicate copies of its gratuity policy issued by Life Insurance Corporation of India;
- (t) The Company shall procure the following renewed insurance policies: (i) policy schedule for commercial general liability from TATA AIG General Insurance Company Limited; (ii) trade credit insurance policy from TATA AIG General Insurance Company Limited; (iii) policy schedule for marine cargo open policy from TATA AIG General Insurance Company Limited; (iv) policy schedule for fire and special perils and burglary policy from TATA AIG General Insurance Company Limited and Bajaj Allianz General Insurance Company Limited; (v) policy schedule for fire and special perils and burglary policy from TATA AIG General Insurance Company Limited and Bajaj Allianz General Insurance Company Limited; and (vi) policy schedule for group mediclaim policy from Bajaj Allianz General Insurance Company Limited;

- (u) The Company shall, with respect to its plant in Bangalore situated at Plot No. 211, Jigani - Bommasandra Industrial Area, Jigani, Bangalore, obtain all the requisite licenses, registrations, consents, approvals and certifications required under Applicable Law, including but not limited to: (i) Udyog Aadhaar Memorandum; (ii) consent to operate under the Hazardous Waste and Other Wastes (Management and Transboundary Movements) Rules, 2016; (iii) no objection certificate from the chief fire officer; (iv) principal employer's registration under the Contract Labour (Regulation and Abolition) Act, 1970; (v) endorsement of existing registration under the Employee State Insurance Act, 1949 for its new plant; and (vi) updating the importer exporter code of the Company to reflect the new plant;
- (v) The Company shall have applied to Citibank seeking consent in respect of change in the constitution of the Company, in connection with the Transfer of the Sale Shares from the Sellers to the Purchaser; and
- (w) The Company shall adopt an anti-bribery and corruption policy and a whistle-blowing policy, in each case in a form satisfactory to Purchaser and GEF.

**SCHEDULE XI: SPECIFIC INDEMNITY ITEMS**

- (i) Any Losses incurred in connection with non-compliance with the Applicable Laws by the Company in relation to fire-safety which is likely to have a Material Adverse Effect.
- (ii) Any Losses incurred in connection with the aberrations in the plant at A-3, Infocity, -Sector 34, Gurgaon, Haryana 122001.
- (iii) Any Losses incurred in connection with following claim/ Litigation / demand against the Company:

<b>FY</b>	<b>Issue</b>	<b>Pending Before</b>	<b>Amount (INR) (in million)</b>	<b>Tax exposure (excluding interest) (INR) (in million)</b>	<b>Amount paid under dispute (INR) (in million)</b>
FY16	Mis- match of TDS Certificate	CIT (A)	0.278	0.278	0.278
<b>Total</b>			<b>0.278</b>	0.278	0.278

## **SCHEDULE XII: SELLERS CPs**

- (a) The Board shall have passed resolutions in accordance with the Articles, and the Act for approving the execution of this Agreement and the performance of the Company's obligations hereunder and shall have delivered to the Purchaser, certified true copies of such resolutions along with all requisite supporting documents;
- (b) No breach by the Company and the SGS Sellers of any of the obligations and terms and conditions of provisions of the Agreement and any other Transaction Documents;
- (c) The Restated Articles shall have been agreed upon in agreed form, including, aligning the Restated Articles in accordance with the Act; and
- (d) None of the following should have occurred: (i) any event that constitutes a Material Adverse Effect; (ii) any restraining order, permanent injunction, attachment or other such order issued by any court of competent jurisdiction which involves a challenge to and prohibits, prevents, restrains, restricts, delays, makes illegal the Transfer of the Sale Shares; and (iii) breach of Clause 6 of this Agreement by the Company or the SGS Promoters between the Execution Date and the Closing Date, and subject to the Disclosure Letter, each of the Warranties shall be true and correct as on the Execution Date and the Closing Date.

**SCHEDULE XIII: ANNUAL BUSINESS PLAN**

Particulars	PROJECTED BALANCE SHEET				RS LACS
	PROJECTED				
	31-03-2021	31-03-2022	31-03-2023	31-03-2024	31-03-2025
SHARE CAPITAL	161	161	161	161	161
RESERVE & SURPLUS	32,772	36,884	41,999	47,555	54,293
NET WORTH	32,933	37,046	42,160	47,716	54,454
LONG TERM BORROWINGS/LIABILITIES	531	418	396	396	396
SHORT TERM BORROWINGS	1,911	1,911	1,911	1,911	1,911
SUNDRY CREDITORS	6,000	7,000	8,500	9,500	10,500
OTHER LIABILITIES	1,500	1,500	1,500	1,500	1,500
PROVISIONS	500	500	500	500	500
<b>Total</b>	<b>43,376</b>	<b>48,375</b>	<b>54,968</b>	<b>61,524</b>	<b>69,262</b>
FIXED ASSETS+INTANGIBLE ASSETS+CIP	7,409	7,928	7,675	8,348	8,143
GOODWILL	10,515	10,515	10,515	10,515	10,515
INVESTMENTS	4,400	4,500	4,600	4,700	4,800
INVENTORIES	6,800	7,500	8,300	9,100	9,800
SUNDRY DEBTORS	7,200	9,500	11,000	12,200	13,400
CASH & BANK BALANCES	5,153	6,533	10,978	14,762	20,704
OTHER CURRENT ASSETS	1,900	1,900	1,900	1,900	1,900
<b>Total</b>	<b>43,376</b>	<b>48,375</b>	<b>54,968</b>	<b>61,524</b>	<b>69,262</b>



Particulars	PROJECTED P&L Account				RS LACS
	PROJECTIONS				
	20-21	21-22	22-23	23-24	24-25
SALES					
DOMESTIC	25,213	33,970	39,570	45,575	50,430
EXPORT	11,318	16,980	18,830	19,742	20,819
	36,531	50,950	58,400	65,317	71,249
OTHER INCOME	600	700	800	900	1,000
TOTAL INCOME	37,131	51,650	59,200	66,217	72,249
	10,032	13,784	15,995	17,661	20,016
RAW MATERIAL COST	27,098	37,866	43,205	48,556	52,233
<i>% OF SALES</i>	<i>74.18%</i>	<i>74.32%</i>	<i>73.98%</i>	<i>74.34%</i>	<i>73.31%</i>
SALARIES & WAGES	3,800	4,500	5,100	5,800	6,400
<i>% OF SALES</i>	<i>10.40%</i>	<i>8.83%</i>	<i>8.73%</i>	<i>8.88%</i>	<i>8.98%</i>
MANUFACTURING O/H	650	850	950	1,050	1,150
<i>% OF SALES</i>	<i>1.78%</i>	<i>1.67%</i>	<i>1.63%</i>	<i>1.61%</i>	<i>1.61%</i>
ADMIN & SELLING O/H	1,400	1,600	1,800	2,000	2,100
<i>% OF SALES</i>	<i>3.83%</i>	<i>3.14%</i>	<i>3.08%</i>	<i>3.06%</i>	<i>2.95%</i>
EBIDTA	4,182	6,834	8,145	8,811	10,366
<i>% OF SALES</i>	<i>11.45%</i>	<i>13.41%</i>	<i>13.95%</i>	<i>13.49%</i>	<i>14.55%</i>
DEPRECIATION	823	881	853	928	905
<i>% OF SALES</i>	<i>2.25%</i>	<i>1.73%</i>	<i>1.46%</i>	<i>1.42%</i>	<i>1.27%</i>
EBIT	3,359	5,953	7,292	7,883	9,461
<i>% OF SALES</i>	<i>9.20%</i>	<i>11.68%</i>	<i>12.49%</i>	<i>12.07%</i>	<i>13.28%</i>
FINANCE COST	350	350	350	350	350
<i>% OF SALES</i>	<i>0.96%</i>	<i>0.69%</i>	<i>0.60%</i>	<i>0.54%</i>	<i>0.49%</i>
PBT	3,009	5,603	6,942	7,533	9,111
<i>% OF SALES</i>	<i>8.24%</i>	<i>11.00%</i>	<i>11.89%</i>	<i>11.53%</i>	<i>12.79%</i>
INCOME TAX	757	1,410	1,747	1,896	2,293
DIVIDEND	81	81	81	81	81
NET PROFIT TRF TO RESERVE	2,171	4,112	5,114	5,557	6,738

## SCHEDULE XIV: ESA PLAN

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
1.	<b>Consent to Operate (CTO)</b> <b>SGS Bengaluru Unit-II</b> - Consent to Operate (CTO) has not been obtained for the site operations.	L	<ul style="list-style-type: none"> <li>Follow-up with the SPCB and maintain records related to the communications received for the same</li> </ul>	<ul style="list-style-type: none"> <li>Copy of Consent to Operate (CTO);</li> <li>Documentation related to communication with authorities (until the CTO is obtained)</li> </ul>	3 – 6 Months
2.	<b>Hazardous Waste Authorization</b> <b>IMT Manesar; SGS Gurgaon; SGS Baddi (Unit-II) and SGS Bengaluru (Unit-II)</b> - HWA or Exempt application from State Pollution Control Board were not available for review.	L	<ul style="list-style-type: none"> <li>Follow-up with the SPCB and maintain records related to the communications received for the same</li> </ul>	<ul style="list-style-type: none"> <li>Copy of CCHWA Permits or Exemption Certificate from the concerned SPCB.</li> </ul>	3 – 6 Months
3.	<b>E-Waste Authorization</b> <b>E-Waste Authorization</b> (as a Manufacturer of Electrical and Electronic Equipment's) has not been obtained for any facility.	M	<ul style="list-style-type: none"> <li>Submit an application to concerned SPCB for obtaining E-Waste Authorization at respective facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Copy of E-Waste Authorization.</li> </ul>	3 – 6 Months
4.	<b>Biomedical Waste Authorization</b> Biomedical Waste Authorization not obtained for any of the manufacturing facilities viz., SGS-IMT Manesar, SGS Infocity Gurgaon, SGS Bengaluru Unit-	L	<ul style="list-style-type: none"> <li>Submit an application to concerned SPCB for obtaining Biomedical Waste Authorization (BWA) at respective facilities i.e., SGS-IMT Manesar, SGS Infocity Gurgaon, SGS Bengaluru Unit-1 and Unit-2, SGS Baddi Unit-1 and Unit-2;</li> </ul>	<ul style="list-style-type: none"> <li>Copy of submitted application to SPCB;</li> <li>Periodic correspondence records with SPCB or Copy of BWA obtained for facility;</li> <li>Agreement with Authorized vendor for collection of biomedical waste from the respective sites.</li> </ul>	6 – 9 Months

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
	1 and Unit-2, SGS Baddi Unit-1 and Unit-2.		<ul style="list-style-type: none"> <li>Document records of related to periodic correspondence with SPCB to be maintained (until BWA is obtained)</li> </ul>		
5.	<p><b>Fire NOC</b></p> <p><b>SGS Gurgaon</b> - Existing Fire NOC does not cover the Third Floor of the Building (including Canteen and New Production Area).</p> <p><b>SGS Bangalore (Unit-II)</b> – Fire NOC not received</p>	M	<p><b>SGS Gurgaon</b></p> <ul style="list-style-type: none"> <li>Obtain Revised Fire NOC covering the entire structure and all the floors;</li> </ul> <p><b>SGS Bangalore (Unit-II)</b></p> <ul style="list-style-type: none"> <li>Follow-up for obtaining Fire NOC.</li> </ul>	<ul style="list-style-type: none"> <li>Records related to Implementation of Recommended actions</li> </ul>	<i>Within 6 – 9 Months of the merger</i>
6.	<p><b>License under Inter-State Migrant Workers Act</b></p> <p><b>IMT Manesar; SGS Gurgaon; SGS Baddi</b> - The license under Interstate Migrant Workers Act has not been obtained for these sites.</p>	M	<ul style="list-style-type: none"> <li>Obtain license as per the Interstate Migrant Workmen Act 1979;</li> <li>Maintain records of migrant workers details, place of domicile, security verification documents, wages and benefits accrued by the migrant workers etc.</li> </ul>	<ul style="list-style-type: none"> <li>Licences under Inter-State Migrant Workmen Act;</li> <li>Documented HR records associated with migrant Workmen.</li> </ul>	<i>6 – 9 Months</i>
7.	<p><b>Environment and Social Management System</b></p> <p>Following aspects were not covered in the systems and procedures developed for SGS sites:-</p> <p><u>7.1.</u> Stakeholder engagement and grievance mechanism for External Stakeholder;</p> <p><u>7.2.</u> Monitoring and Reporting</p>	M	<ul style="list-style-type: none"> <li>Following Recommendations are suggested for the identified gaps:- <ul style="list-style-type: none"> <li>Develop Stakeholder engagement and grievance mechanism both for Internal and External Stakeholder;</li> <li>Monitoring and Reporting System to include periodic review of EHSMS</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Corporate ESMS Framework Document (incorporating the suggested details);</li> <li>Stakeholder Engagement Plan and Implementation Records. IMT Manesar and SGS Gurgaon.</li> </ul>	<i>9 – 12 Months</i>

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
	<p>System including regular review of performance of the Environment, Social, Health and Safety (ESHS) Management System; internal/external assessments and reporting to the management /board/investors;</p> <p>7.3. Absence of an integrated overarching system which can formalize and integrate the entire management system under one umbrella for better control and coordination.</p>		<p>performance; internal/external assessments and reporting to the management /board/investors;</p> <p>- Develop an overarching management system framework i.e. an ESMS Framework, at the corporate level which addresses the requirements such as management of labour, social issues and integrate established EHS systems across the sites.</p>		
8.	<p><b>Environment and Social Policy</b></p> <p>SGS does not have an overarching policy (such as CSR policy) establishing company's commitment towards a sound social performance and management of social aspects.</p>	L	<ul style="list-style-type: none"> <li>•SGS to develop an overarching policy on Social, Human Rights and CSR aspects<sup>13</sup> specifying company's commitment towards sound social and Human Rights performance and management of social and related aspects.</li> </ul>	<ul style="list-style-type: none"> <li>○ Updated QEOHS Policy or standalone overarching policy on Social, Human Rights and CSR aspects.</li> </ul>	9 – 12 Months
9.	<p><b>Identification of Risks and Impacts</b></p> <p><u>IMT-Manesar and SGS Gurgaon</u></p> <p>9.1. Risk assessments do not include</p>	L	<ul style="list-style-type: none"> <li>•Site specific HIRA to be reviewed and revised by competent personnel to ensure that hazards related to all processes/sub-processes and associated individual activities are</li> </ul>	<ul style="list-style-type: none"> <li>○ Updated Risk Assessments (incorporating the suggested details);</li> <li>○ Implementation of Control Measures as identified based on Risk Assessments.</li> </ul>	9 – 12 Months

<sup>13</sup> either as a separate policy or integrated with existing QEOHS policy

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
	<p>activity-based mapping. The risk assessments does not capture all activities, hazards, processes, identified control measures (as per control hierarchy) and residual risk (post implementation of control measures);</p> <p><u>9.2.</u> The designations of the persons responsible for conducting and reviewing risk assessment documents were not indicated as a part of HIRA document. Based on the interactions with the site personnel, it was noted that they have a limited understanding of the risk assessment, control and monitoring process.</p> <p><b>SGS Baddi (Unit-I and Unit-II)</b></p> <p><u>9.3.</u> Similar Risk Priority Number (RPN) was provided for all the production processes and activities i.e., RPN of 12 in spite of them having different level of risks. Also, the control measures have not been identified (as per control hierarchy) and Residual Risk (post implementation</p>		<p>identified and mitigated through appropriate control measures (as per control hierarchy). Ensure that the residual risks (after implementation of control measures) are identified and acceptable. SGS Baddi (Unit-I and Unit-II)</p> <ul style="list-style-type: none"> <li>• Risk Ratings to be reviewed by a competent person to ensure that the anticipated risk is appropriately captured as per the actual severity;</li> <li>• Ensure that hazards are identified and mitigated through appropriate control measures (as per control hierarchy) and the same along with the residual risk (post implementation of control measures) form a part of the updated HIRA document;</li> <li>• Formal risk assessments to be undertaken a competent personnel and identified control measures implemented. (SGS Bangalore (Unit-I and Unit-II))</li> </ul>		

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
	<p>of identified control measures) not calculated;</p> <p><b>SGS Bangalore</b></p> <p><u>9.4.</u> Formal risk assessments of the various operations (incl. Environment and Social) have not been conducted.</p>				
10.	<p><b>Management Programs</b></p> <p><u>10.1.</u> Procedure such as specifying EOHS related goals, targets and monitoring aspects etc. have not been effectively implemented which can be ascertained from the fact that no document/ records were available related to corporate EOHS goals, individual site based measurable targets (YoY basis) and their progress (against these) for the current financial year;</p> <p><u>10.2.</u> Although legal requirements have been mapped, a legal compliance tracker with a provision to send updates and alerts as and when required for respective Sites was not available;</p> <p><u>10.3.</u> Some of the procedures such as</p>	L	<p>Some of the recommendations (common across all SGS sites) against the Gaps include the following -</p> <ul style="list-style-type: none"> <li>•Ensure that corporate procedures based on setting of EOHS Goals and Targets, Monitoring and Evaluation are translated into time-based measurable targets and progress trackers for each Site. The progress against the specific metrics to be tracked YoY basis and against a set benchmark (defined pre-set goal);</li> <li>•Legal compliance tracker (preferably an online system) with specific access for monitoring and escalation alerts at corporate level to be explored;</li> <li>•Procedures for contractor screening and risk management; Stakeholder engagement and management of external grievance to be defined,</li> </ul>	<ul style="list-style-type: none"> <li>○ Site specific measurable Targets and Goals against EOHS performance and related metrics;</li> <li>○ Procedure for Contractor Risk Screening and External Stakeholder Engagement.</li> </ul>	6 – 9 Months

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
	contractor screening, stakeholder engagement and management of external grievance are either not well defined or lack effective implementation.		communicated and implemented.		
11..	<p><b>Emergency Preparedness and Response</b></p> <p><u>11.1.</u> Gaps with respect to Fire &amp; Life Safety Elements have been identified across SGS sites during the assessment. A Fire and Life Safety risk assessment of SGS sites has not been conducted to identify these gaps.</p> <p><u>11.2.</u> Gaps in ERP of SGS Bangalore Unit-I with respect to details of key persons responsible for handling emergency situations, no evacuation plans included in the guidelines and no procedure for Incident communication and no specific ERP for Unit II has been developed.</p>	H	<p><b>Recommendations against Site specific Gaps:-</b></p> <ul style="list-style-type: none"> <li>•Comprehensive Fire and Life Safety Audit to be conducted by competent personnel / consultants and implement the relevant recommendations of the study in consultation with the experts</li> <li>•Updated copies of ERP for SGS Bangalore (Unit-I &amp; Unit-II) to include the mentioned elements.</li> </ul>	<ul style="list-style-type: none"> <li>○ Comprehensive Fire and Life Safety Audit</li> <li>○ Necessary interventions as needed at the Site</li> <li>○ Copies of ERP for SGS Bangalore (Unit-I &amp; Unit-II)</li> <li>○</li> </ul>	12 – 16 Months

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
12.	<p><b>Stakeholder Engagement</b></p> <p>A formal Stakeholder Engagement Plan tailored to the characteristics and interests of identified stakeholders not developed.</p>	L	<ul style="list-style-type: none"> <li>• A formal Stakeholder Engagement Plan (SEP) is required to be developed as part of its Environment and Social Management System (ESMS) to engage the various stakeholders on a regular basis. The SEP to document the communications methods to be used, documentation of meetings conducted and monitoring and review of the process.</li> </ul>	<ul style="list-style-type: none"> <li>○ Stakeholder Engagement Plan and Implementation Records</li> </ul>	6 – 9 Months
13.	<p><b>External Communication and Grievance</b></p> <p><u>13.1.</u> SGS does not have any structured and documented procedure for dissemination of information or seeking opinions and views of external stakeholders on aspects relevant to its business and conduct towards the local communities;</p> <p><u>13.2.</u> SGS does not have mechanism for external Grievance Redressal.</p>	L	<ul style="list-style-type: none"> <li>• Identify all external stakeholders related to their operations and develop a SOP for External Communications; and</li> <li>• Implement a GRM to address the concerns and grievances of external stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>○ SOP for stakeholder identification and communications. Site specific records of all identified stakeholders;</li> <li>○ Records related to Grievance Monitoring (for external Stakeholders)</li> </ul> <p><i>Applicable if any such grievance is registered.</i></p>	6 – 9 Months
14.	<p><b>Human Resource Policies and Procedures</b></p> <p><u>14.1.</u> Review of the various elements encompassing the HR Policy</p>	L	<ul style="list-style-type: none"> <li>• SGS HR Policy manual to be revised to include the following policies: -</li> <li>- Policy on Non-Discrimination and Equal Opportunity;</li> </ul>	<ul style="list-style-type: none"> <li>○ Updated HR Policy Manual (with suggested inclusions)</li> <li>○ Documented records / Data logs for registered grievance and related monitoring.</li> </ul>	6 – 9 Months



S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
	<p>Manual of SGS indicates that they are scaled to the operations of the company and have been developed corresponding to the size and workforce. However, there are some Policies that were observed to be missing in the HR Policy Manual including the following –</p> <ul style="list-style-type: none"> <li>- Policy on Non-Discrimination and Equal Opportunity;</li> <li>- Contractor Management Policy/ Policy on management of contractual workers; and</li> <li>- Retrenchment Policy.</li> </ul> <p>14.2. The process for registering of grievances is informal and no recording or documented resolution of grievances was observed at any of the facilities.</p>		<ul style="list-style-type: none"> <li>- Contractor Management Policy/ Policy on management of contractual workers; and</li> <li>- Retrenchment Policy.</li> </ul> <ul style="list-style-type: none"> <li>• Establish a dedicated system for registering and maintenance of grievances through documented records and data logs.</li> </ul>		
15.	<p><b>Working Conditions and Terms of Employment</b></p> <p>No overtime is being paid to the security guards</p> <p><i>It is an industry wide practise in India for Security Guards</i></p>	M	<ul style="list-style-type: none"> <li>• It is recommended that SGS through its contractor hires security personnel in three shifts of 8 hours each.</li> </ul>	<ul style="list-style-type: none"> <li>○ Attendance register indicating the working hours</li> </ul>	9 – 12 Months

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
	to conduct 12 hours shifts				
16.	<p><b>Non-discrimination and Equal Opportunity</b></p> <p>SGS does not have a documented policy on “Non-discrimination and Equal opportunity”.</p>	L	<ul style="list-style-type: none"> <li>• SGS to frame a policy on Non-discrimination and Equal Opportunity. The policy should be communicated to all employees (including contractors) and the same should also form a part of employee HR manual.</li> </ul>	<ul style="list-style-type: none"> <li>○ Policy on Non-discrimination and Equal Opportunity</li> </ul>	3 – 6 Months
17.	<p><b>Retrenchment</b></p> <p>SGS does not have a documented policy on “Retrenchment”.</p>	L	<ul style="list-style-type: none"> <li>• SGS to frame a policy on “Retrenchment”. The policy should be communicated to all employees (including contractors) and the same should also form a part of employee HR manual.</li> </ul>	<ul style="list-style-type: none"> <li>○ Retrenchment Policy</li> </ul>	3 – 6 Months
18.	<p><b>Grievance Redressal Mechanism (Policies &amp; Procedures)</b></p> <p>The GRM policy does not cover the contractual workers, nor does it contain provisions for lodging anonymous grievances. The absence of a defined provision for lodging anonymous grievance compromises the identity of the aggrieved and does not provide him/ her the scope for raising grievances without being noticed.</p>	L	<ul style="list-style-type: none"> <li>• The GRM Policy of SGS for employees should be revised to include contractual workers and should specify provisions for lodging anonymous reporting.</li> </ul>	<ul style="list-style-type: none"> <li>○ Revised GRM Policy (with suggested inclusions)</li> </ul>	6 – 9 Months

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
19.	<p><b>Occupational Health and Safety</b></p> <p><u>Electrical Safety</u></p> <p>19.1. During the Site visits, it was noted that the instead of Lock-Out Tag-Out (LOTO) process only Tag-Out process was being implemented, Machine /panel specific LOTO process was not yet implemented;</p> <p>19.2. Unauthorised Access – Access to main electrical panel area at IMT Manesar was not restricted to prevent any unauthorised access.</p> <p><u>Work at Height / Ladder Safety</u></p> <p>19.3. Vertical ladder attached to D.G Set area at IMT Manesar was not provided with a cage;</p> <p>19.4. Material lift interlock was noted to be non-functional.</p>	M	<p><b>Electrical Safety</b></p> <ul style="list-style-type: none"> <li>Machine / Panel specific LOTO program to be implemented cross all sites;</li> <li>Ensure that all restricted areas are adequately secured and access to all restricted areas to be limited to authorised persons only.</li> </ul> <p><b>Work at Height</b></p> <ul style="list-style-type: none"> <li>Vertical ladders above 2 m height to be adequately secured through a fall prevention cage;</li> <li>Ensure that all interlocks are kept functional at all times. During maintenance, a procedure for appropriate access restrictions to be developed and related access restriction provisions be implemented.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of suggested recommendations and documentary proofs (photo logs) after corrective actions.</li> </ul>	6 – 9 Months
20.	<p><b>Air Pollution Management</b></p> <p><u>SGS Bangalore Unit-I</u></p> <p>20.1. The stacks attached to reflow oven and manual soldering has not been declared in</p>	L - M	<p><b>IMT Manesar</b></p> <ul style="list-style-type: none"> <li>Site to apply for the amendment to HSPCB for change in its industry category from Green to White.</li> </ul> <p><b>SGS Gurgaon</b></p> <ul style="list-style-type: none"> <li>Site does not conduct stack</li> </ul>	<ul style="list-style-type: none"> <li>Implementation Records / Copies of Submitted Applications related to suggested recommendations.</li> </ul>	6 – 12 Months

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
	<p>the CTO under the Air Act;</p> <p><u>20.2.</u> The current CTO does not reflect the actual capacity of DG set installed at the Site.</p> <p><u>SGS Bangalore Unit-II</u></p> <p><u>20.3.</u> The Site has not obtained CTO from KSPCB14 before commencing its operation.</p> <p><u>IMT Manesar</u></p> <p><u>20.4.</u> The Site has obtained exemption for obtaining CTO from HSPCB under green category while the facility operations falls under White Category and therefore shall apply for the amendment to change the category;</p> <p><u>20.5.</u> No ambient noise monitoring is being conducted.</p> <p><u>SGS Gurgaon</u></p> <p><u>20.6.</u> The Site has obtained exemption for obtaining CTO from HSPCB under green category while the facility operations falls under White Category and therefore shall apply for the amendment to</p>		<p>emission monitoring of its air emission sources like stacks connected to DG sets, reflow oven, wave soldering machine, manual soldering machine.</p> <p><b>SGS Baddi (Unit –I and Unit-II)</b></p> <ul style="list-style-type: none"> <li>Apply for amendment in the CTO to include wave soldering stack as source of air emissions;</li> </ul>		

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
	<p>change the category;</p> <p><u>20.7.</u> No ambient noise monitoring is being conducted.</p> <p><u>SGS Baddi (Unit-I and Unit-II)</u></p> <p><u>20.8.</u> The CTO does not include wave soldering as source of air emissions;</p> <p><u>20.9.</u>No stack monitoring is being conducted for wave soldering machine;</p> <p><u>SGS Baddi Unit-II</u></p> <p><u>20.10.</u>The CTO does not include wave soldering as source of air emissions;</p> <p><u>20.11.</u>No stack monitoring is being conducted for wave soldering machine;</p>				
21.	<p><b>Hazardous Waste Management</b></p> <p><u>IMT Manesar; SGS Gurgaon; SGS Baddi (Unit-1 and Unit-2)</u></p> <p><u>21.1.</u> The hazardous waste storage area does not have provisions such as adequate secondary containment, spill control kits, impervious flooring was not provided to the</p>	L - M	<p><b>IMT-Manesar; SGS Gurgaon and SGS Baddi (Unit-1 and Unit-2)</b></p> <ul style="list-style-type: none"> <li>• Ensure that designated hazardous waste storage area does have provisions such as adequate secondary containment, spill control kits, impervious flooring was not provided to the room;</li> <li>• Provision for Spill Control Kits and</li> </ul>	<ul style="list-style-type: none"> <li>○ Implementation Records / Copies of Submitted Applications related to suggested recommendations</li> </ul>	6 – 12 Months

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
	<p>room. Spillage and staining over ~3m<sup>2</sup> area on the paved flooring of the room was noted;</p> <p><u>21.2.</u> No disposal record for oil contaminated cotton waste and empty barrels/container s/liners contaminated with hazardous chemicals/waste s were maintained at the Site.</p> <p><u>SGS Bangalore (Unit-I and Unit-II)</u></p> <p><u>21.3.</u> The hazardous waste is sent to a hazardous waste handling vendor who is not authorised for the corresponding category of waste handling;</p> <p><u>21.4.</u> The Site has not provided a dedicated storage area for storage of hazardous wastes with provisions such as secondary containment, spill control kits, impervious flooring etc. Currently, the Site undertakes storage of hazardous wastes at the point of generation without secondary containment and spill kits. Hazardous wastes such as used oil and</p>		<p>Trainings on SPCC;</p> <ul style="list-style-type: none"> <li>Maintain records of all the hazardous waste in Form - 3 (Waste Inventory), Form -4 (Annual Return), and Waste Manifest.</li> </ul> <p><b>SGS Bangalore (Unit-I)</b></p> <ul style="list-style-type: none"> <li>Site to ensure that hazardous waste is sent to a vendor who is authorised to collect the corresponding category of waste;</li> <li>Site to provide a dedicated storage area for storage of hazardous wastes with provisions such as secondary containment, spill control kits, impervious flooring etc.</li> </ul> <p><b>SGS Bangalore (Unit-II)</b></p> <ul style="list-style-type: none"> <li>Secondary containment to be provided for the containers storing hazardous material to contain any oil spillage.</li> </ul>		

S.No	Identified Gaps	Action	Recommendations	Measurable outcome	Timeline
	empty chemical drums were noted to be stored near the DG set in an open to sky condition. Oil staining was observed in an area of ~2.0 m <sup>2</sup> near the DG set in southern portion of the Site.				
22.	<b>UNGP Principle - 15</b>  SGS does not have a Human Rights Policy.	L	• Please refer to S.No. 8	Please refer to S.No. 8	2-3 Months
23.	<b>UNGP Principle-17</b>  SGS has not conducted screening of human rights for their operational impacts.	L	• SGS to develop a Human Rights checklist. The checklist can then be used to assess compliance of the various components of the value chain to the UNGP principles.	○ Human Rights Checklist and related Corrective Action Plan.	9 – 15 Months
24.	<b>UNGP Principle-19 and UNGP Principle- 20</b>  SGS does not have procedures and standards to mitigate and remediate impact on human rights for its business operations.	L	• SGS is recommended to upgrade the HR manual procedures to incorporate human rights principle.	○ Revised policies and procedures covering mitigation and remediation of Human Rights Impacts.	9 - 15 Months

## **Appendix: E&S undertaking**

The Company shall to the best of its ability, adhere to the following:

- To map relevant resource efficiency metrics (Energy, Water, Materials and Waste) to the extent relevant and applicable to the operations and activities and footprint of the Company. Undertake specific resource efficiency studies (in consultation with GEF) and substantiate the same with empirical data (every 1 year post the investment);
- Align the company activities and business in line with the SDG's and work on a roadmap for stronger alignment and meaningful contribution (to be done in consultation with GEF) and will be an ongoing activity;
- Commit to improve the management of environment, health & safety and social practices;
- Endeavor to use effective systems of internal controls and risk management covering all significant issues, arising due to governance and business integrity issues;
- Adhere to the exclusion list as per Annexure A, where the company does not involve in any activities/ operations as per the list stated therein;
- Apply relevant international best management practices and/or standards, with appropriate targets and timelines with the intent to achieving ESG improvement and performance; and
- Take possible appropriate interventions to mitigate environmental risks and improve the overall environmental/ sustainability performance.

### **Monitoring and Reporting on unplanned events**

As a fund, we will require the company to respond appropriately and swiftly to serious accidents, incidents or events, or other changes in the company's circumstances, and to ensure that lessons are learned and applied in future.

Following circumstances (but not limited to) may lead to such an unexpected event:

- Serious accidents may include (but not limited to) those resulting in loss of life, serious injury (loss time injury), material adverse impacts on communities and/or the environment, material breach of law or side letter requirements;
- Material non compliance matters that may potentially result in closure of the operations; and
- Adverse legal authorities' findings. These may include, but not limited to notices, closure, warnings, and any such similar communications from various government regulatory departments, agencies, local bodies and others in writing or otherwise.

The Company besides the above occurrences should also promptly notify the Fund in writing of any occurrence which results in included, but not limited to the death of a person, all forms of adverse impact on human rights, serious injury, serious damage to health, fire, leakage of a substances dangerous to the environment, labor strike, harassment, fraud and theft.

All of the above instances should be reported in an agreed format/ template within 48 hours of the occurrence. A template for the reporting is provided in the Annexure B.



## **Annexure A: Combined Exclusion List (includes EDFI exclusion list)**

1. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
2. Production of, or trade in, any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase-outs or bans as defined in global conventions and agreements such as certain: – hazardous chemicals, pharmaceuticals, pesticides and wastes; – ozone depleting substances; – endangered or protected wildlife or wildlife products; and – unsustainable fishing methods such as blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 kilometers in length;
3. Production or activities involving forced labour<sup>15</sup> or child labour.<sup>16</sup>
4. Trade in wildlife or wildlife products regulated under CITES.<sup>17</sup>
5. Drift net fishing in the marine environment using nets in excess of 2.5 km in length.
6. Destruction<sup>18</sup> of Critical Habitat<sup>19</sup> and any forest project under which no sustainable development and managing plan is carried out.
7. Production or use of or trade in hazardous materials such as asbestos fibres and products containing PCBs<sup>20</sup>.
8. Production, use of or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances<sup>21</sup> and other hazardous substances subject to international phase-outs or bans.
9. Construction of new and extension of any existing coal fired thermal power plants.
10. Cross-border trade in waste and waste products unless compliant to the Basel Convention and the underlying regulations.

---

<sup>15</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.

<sup>16</sup> Employees may only be taken if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.

<sup>17</sup> CITES: Convention on International Trade in Endangered Species or Wild Fauna and Flora.

<sup>18</sup> Destruction means the (1) elimination or severe diminution of the integrity of a habitat caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the habitat's ability to maintain its role (see footnote 10) is lost.

<sup>19</sup> Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union (IUCN) classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary Forest or forests of High Conservation Value shall be considered Critical Habitats.

<sup>20</sup> PCBs: Polychlorinated biphenyls, a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.

<sup>21</sup> Ozone Depleting Substances: Chemical compounds, which react with and delete stratospheric ozone, resulting in "holes in the ozone layer". The Montreal Protocol lists ODs and their target reduction and phase-out dates.

11. Destruction<sup>22</sup> of High Conservation Value areas.<sup>23</sup>
12. Radioactive materials<sup>24</sup>
13. Production or trade in
  - a. arms, weapons and munitions
  - b. tobacco
  - c. hard liquor for human consumption
  - d. Alcoholic Beverages (except beer and wine)
14. Gambling, casinos and equivalent enterprises.
15. Any business relating to pornography or prostitution.
16. Any activity involving significant altercation, damage or removal of way critical cultural heritage.<sup>25</sup>
17. Production and distribution of racist, anti-democratic or with the intent to discriminate part of the population.
18. Exploitation of diamond mines, and commercialization of diamonds, when the host country has not adhered to the Kimberley<sup>26</sup>, or other similar international agreements (actual or to be formed), on similar extractive resources.
19. Any sector or service subject to United Nations, European Union and/or French embargo without limitation.

---

<sup>22</sup> Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

<sup>23</sup> High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).

<sup>24</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.

<sup>25</sup> Consists of internationally and nationally recognised historical, social and/or cultural heritage.

<sup>26</sup> The Kimberley Process Certification Scheme (KPCS), is a certification standard for diamond production that concerns governments; the diamonds are controlled at each stage of the production chain, from extraction through to retail of the finished product. The KPCS was created to prevent and stop conflict diamond trade. It is designed to certify the origin of diamonds from sources which are free of conflict fueled by diamond production. Member states adhere to adopt national laws on the issue, and to put in place the necessary export and import control mechanisms to implement the KPCS. More than 75 countries involved in the production, commercialization, and transformation of diamonds participate.

**Annexure B: Monitoring and Reporting of Unplanned Event (Work Related) Reporting  
(Indicative Template)<sup>27</sup>**

<b>SHEET A: REPORT ON E&amp;S SERIOUS INCIDENT [NAME OF COMPANY]</b>				
<b>Date of report</b>		<b>1<sup>st</sup> Report<sup>28</sup></b>	<b>2<sup>nd</sup> Report</b>	<b>3<sup>rd</sup> Report</b>
<b>Fund/contact person</b>	/			
<b>Date and time of incident/ accident / Date of notification to fund</b>	[Date, Time] / [Date/ explanation of delay]			
<b>Type of accident</b>	(e.g. Fatality or major injury resulting in LTI, spills, explosion, fire, natural hazards, road accident, or any other emergency situation)			
<b>Victims and damage</b>	<ul style="list-style-type: none"> <li>• Fatalities (including number deceased and differentiating between employee/ contractor fatalities and members of the public).</li> <li>• Number injured (mention hospitalisations/ loss of limb).</li> <li>• Loss/ damage to company facilities or operating environment.</li> <li>• Environmental damage (e.g. water pollution).</li> </ul>	•	•	•
<b>Immediate response</b>				
<b>Description of issue</b>	Include the following where available or relevant: <ul style="list-style-type: none"> <li>• names of involved (if fatalities)</li> <li>• witnesses (including where relevant staff, unions, police, other authorities and other parties)</li> <li>• routine/non-routine activity being undertaken</li> <li>• factual statement of what happened</li> <li>• scene inspection photos/notes</li> <li>• sequence of events pre-dating accident</li> <li>• immediate cause</li> <li>• unsafe acts in sequence</li> </ul>			

<sup>27</sup> Template to be modified per the nature of the incident/ accident, as applicable

<sup>28</sup> To be updated as more information is received

	<ul style="list-style-type: none"> <li>• unsafe conditions in sequence</li> <li>• underlying causes of unsafe acts/conditions (initial view)</li> <li>• root cause(s)</li> <li>• corrective / preventive action for EACH significant cause</li> <li>• actioned, timed-bound plan (can be attached)</li> <li>• Interim preventive measures</li> <li>• Other interim actions required cross-check to other activities / locations for lessons learned</li> <li>• Any negative publicity (including media) resulting from the incident</li> <li>• Compensation paid to victims and/or victims' families</li> </ul>			
<b>Concluding statement</b>	Outline of accident, key causes, corrective/ preventative actions, final position, and lessons learned			
<b>Outcome based on above:</b>	•	•	•	•
<b>Key follow up points</b>	• Schedule to check / verify implementation of corrective and preventive actions. Include dates.	•	•	•
<b>Additional plans for verification / close-out of actions?</b>	• Is third party expertise required?	•	•	•
<b>Lessons learned so that such risks are not repeated</b>	•	•	•	•

## **SCHEDULE XV: COVENANTS**

The Company shall at all times:

- (a) comply with the ESA Plan and the applicable ESA Law, and comply with Anti-Corruption Laws subject to provisions of clauses 25 and the Company shall, at its quarterly Board meeting, review / monitor such compliance;
- (b) maintain and keep all its intellectual property rights confidential (other than disclosure pursuant to its Business and activities and on a need-to-know basis) and in good order;
- (c) notify Syrma, as soon as practicably possible, if the Company ceases to hold any material consent and / or Governmental Approval or if any regulatory enquiry, investigation or proceeding is initiated against the Company and / or the SGS Promoters;
- (d) ensure that it is staffed with a professional management team or engages consultants, including requisite Key Managerial Personnel, with the necessary managerial and technical expertise, such that it operates in a manner consistent with Applicable Law, good industry practice in this regard and have requisite qualified resources required for this purpose;
- (e) maintain adequate insurance coverage for all of its assets and properties in line with industry practice;
- (f) maintain and adopt the ESA Plan, to bring its environmental health & safety, labour and social practices reasonably in line with international best practices (such as International Finance Corporation's Performance Standards, applicable to manufacturing companies) with reasonable assistance from Syrma / GEF in this regard;
- (g) ensure that it shall not direct its directors, employees, agents or representatives to commit any offence under any applicable Anti-Corruption Laws (under Clause 25), and shall inform its contractors and sub-contractors to adopt similar compliance requirements;
- (h) ensure the effectiveness of, internal controls, ethics and compliance programmes or measures for preventing and detecting compliance breaches in relation to anti-bribery, anti-money laundering, anti-trust and data privacy;
- (i) notify Syrma of any material loss or damage suffered by the Company, which amount to or exceed INR 1,00,00,000 (Rupees One Crore); and
- (j) ensure that the statutory books and registers are duly maintained as per Applicable Law.

**SCHEDULE XVI: Cost-Sharing Arrangements**

No.	COSTS	PARTY INCURRING THE COSTS
1.	Environmental, social, and governance audit on the Company	GEF
2.	Techno-Commercial audit of the Company and Syrma	Investor Fund (as such term is defined in the Syrma SSA), Company and Syrma, as per the terms of the engagement letter entered into between Mc Kinsey, Investor Fund (as such term is defined in the Syrma SSA), Company and Syrma dated 13 July 2020.
3.	Fees and expenses of legal advisors of the Company	Company
4.	Fees and expenses of legal advisors of the Purchaser	Purchaser
5.	Fees and expenses in relation to the drafting and execution of Syrma Post Merger SHA and the Framework Agreement.	GEF, Company and the Purchaser, in equal proportion.
6.	Costs in relation to stamp duty payable in relation to this Agreement and on share transfers	Company and the SGS Promoters.
7.	Scheme of Amalgamation along with filing such scheme and getting approval for the Proposed Merger.	Syrma and the Company to bear their respective costs.
8.	Fees and expenses of legal advisors in relation to the Proposed Merger	Syrma and the Company, jointly
9.	Financial due diligence of the Company	INR 17, 00,000 + GST to be incurred by Syrma
10.	Legal due diligence of the Company	INR 15,00,000 to be incurred by Syrma

## SCHEDULE XVII: SECTION 281 INDEMNIFICATION PROCEDURE

1. If any Tax Authority commences any proceedings against any of the Sellers as a result of which the transfer of Sale Shares pursuant to this Agreement is sought to be considered / declared as void under Section 281 of the Tax Act, then the relevant SGS Promoter (behalf of itself and Promoter Family Seller ) (“**Selling Promoter(s)**”) undertake to pay to the Tax Authority the tax, surcharge, cess, fees, interest and/or penalties arising from such proceedings within the stipulated time period prescribed for payment of such demand, provided however, notwithstanding anything to the contrary contained in this Agreement but without prejudice to point 5 below, if prior to the due date of payment of such tax, surcharge, cess, fees, interest or penalty, the relevant Selling Promoter(s) obtains any stay order from the relevant Tax Authority against payment of such amount, then till such time that stay order is in effect, the relevant Selling Promoter(s) shall not be obligated to make payments in relation to such demand from the Tax Authority, to the extent covered by the stay order.
2. In the event Syrma receives any written communication from any Tax Authorities seeking to recover income-tax, surcharge, cess, fees, interest or penalties from Syrma and treating the transfer of the Sale Shares by the relevant Selling Promoter(s) to Syrma as void under Section 281 of the Tax Act (in each case, a “**Tax Recovery Notice**”) then Syrma shall provide the relevant Selling Promoter(s) a copy of the Tax Recovery Notice promptly and in any event within 7 (seven) Business Days of the receipt of the Tax Recovery Notice by Syrma.
3. The relevant Selling Promoter(s) shall after receipt of a copy of the Tax Recovery Notice and within such time period as may be stipulated in the Tax Recovery Notice (including any extension of time duly obtained by the relevant Selling Promoter), consult with Syrma on the response to be provided to the Tax Recovery Notice (i.e. whether the relevant Selling Promoters(s) would make payment of all amounts claimed under the Tax Recovery Notice or would contest the Tax Recovery Notice before the relevant Tax Authority). The process of responding to or contesting the Tax Recovery Notice shall be controlled by the relevant Selling Promoter(s). Provided however, that the relevant Selling Promoter shall not make any written or oral submissions, communications (including statement of objections, applications, etc.) and/or enter into any settlement before and/or with the relevant Tax Authority, without the prior written consent of Syrma, if:
  - (i) such submission, communication and/or settlement would lead to an allegation of corruption against Syrma;
  - (ii) such submission, communication and/or settlement will adversely impact the rights of Syrma under this Agreement;
  - (iii) such submission, communication and/or settlement will expose Syrma to any liability (other than the monetary liability that is the subject matter of the Tax Recovery Notice) or make it subject to any additional obligations; and/or
  - (iv) such submission, communication and/or settlement involves admission of guilt by Syrma.
4. Further, copies of all written submissions or communication (including statement of objections, applications, etc.) made by the relevant Selling Promoter(s) in the conduct of the defense against the Tax Recovery Notice, shall be provided to Syrma before submission with the Tax Authorities. Also, the relevant Selling Promoter(s) shall provide all information reasonably requested by Syrma in relation to the conduct of the defense against the Tax Recovery Notice to Syrma in a timely manner (including, any material updates on the same from time to time).

5. The relevant Selling Promoter(s) shall bear the entire cost of such proceedings relating to the Tax Recovery Notice. Syrma shall have no obligation to make any payments under the Tax Recovery Notice until the relevant Selling Promoter(s) have paid to Syrma the full amount of any income-tax, surcharge, cess, fees, interest or penalties claimed or demanded in any Tax Recovery Notice.
6. The relevant Selling Promoter(s) shall pay the amounts demanded by the Tax Authority pursuant to the Tax Recovery Notice (from Syrma directly or from the Selling Promoters, as the case may be) or under proceedings commenced under point (1) above, to the Tax Authority, immediately upon receipt of unfavorable, non-appealable order from the relevant Tax Authorities/ Courts/ Tribunals or immediately in the event the relevant Selling Promoter is not defending and/or contesting such claim or where the said Tax Recovery Notice or orders passed pursuant to such notice require payment of taxes and such order has not been stayed by the relevant Tax Authority, including pursuant to an appeal. The payment shall be made by the relevant Selling Promoter to the Tax Authorities prior to the last date on which such amounts are required to be deposited with the Tax Authority.
7. In the event that the relevant Selling Promoter(s) make a payment of the amounts demanded by the Tax Authority under the foregoing provisions of this Schedule, it is expressly agreed that the relevant Selling Promoter(s) shall not be precluded from continuing to challenge the Tax Recovery Notice or any subsequent notices or correspondence received from the Tax Authority, at their cost, and without prejudice to the rights of Syrma set out hereunder, Syrma shall cooperate with the relevant Selling Promoter(s) in such challenge. Provided however, Syrma shall not be required to cooperate with the relevant Selling Promoter(s) in the event such cooperation involves taking any actions and/or omitting to take any action that may expose Syrma to any legal sanctions, obligations and/or monetary liabilities.