



**DOMS INDUSTRIES LIMITED**

**MEMORANDUM AND ARTICLES OF ASSOCIATION**



**Form 1**

# **Certificate of Incorporation**

Corporate Identity Number : **U36991GJ2006PTC049275**

**2006 - 2007**

I hereby certify that WRITEFINE PRODUCTS PRIVATE LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given under my hand at Ahmedabad this TWENTY FOURTH day of OCTOBER TWO THOUSAND SIX.

(SHASHI RAJ DARA)

**Registrar of Companies**  
Gujarat, Dadra and Nagar Havelli

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, गुजरात, दादरा एवं नगर हवेली

कम्पनी अधिनियम, 1956 की धारा 18 (1) (क)

उद्देश्य-खंडों में परिवर्तन की पुष्टि हेतु विशेष विनिश्चय के पंजीकरण का प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U36991GJ2006PTC049275

मेसर्स WRITEFINE PRODUCTS PRIVATE LIMITED

के अंशधारकों ने दिनांक 09/01/2012 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

मैं, एतद्वारा सत्यापित करता हूँ कि उक्त विशेष विनिश्चय की प्रतिलिपि, यथा परिवर्तित संगम-ज्ञापन के साथ, आज पंजीकृत कर ली गई है।

अहमदाबाद में यह प्रमाण-पत्र, आज दिनांक बारह जनवरी दो हजार बारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Gujarat, Dadra and Nagar Havelli

SECTION 18(1)(A) OF THE COMPANIES ACT, 1956

Certificate of Registration of the Special Resolution Confirming Alteration of Object  
Clause(s)

Corporate Identity Number : U36991GJ2006PTC049275

The share holders of M/s WRITEFINE PRODUCTS PRIVATE LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 09/01/2012 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given at Ahmedabad this Twelfth day of January Two Thousand Twelve.

Signature valid  
Digitally signed by Mira  
Date: 2012.01.12 20:14:25  
GMT+05:30

Registrar of Companies, Gujarat, Dadra and Nagar Havelli

कम्पनी रजिस्ट्रार, गुजरात, दादरा एवं नगर हवेली

\*Note: The corresponding form has been approved by RAMDAS GUPTA, Deputy Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website ([www.mca.gov.in](http://www.mca.gov.in)).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

WRITEFINE PRODUCTS PRIVATE LIMITED

J-19, G.I.D.C, Opp. Telephone Exchange, Umbergaon - 396171,

Gujarat, INDIA





सत्यमेव जयते  
GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

RoC Bhavan, Opp Rupal Park Society Behind Ankur Bus Stop, Ahmedabad, Gujarat, India, 380013

**Certificate of Incorporation pursuant to change of name**  
*[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]*

Corporate Identification Number (CIN): U36991GJ2006PTC049275

I hereby certify that the name of the company has been changed from WRITEFINE PRODUCTS PRIVATE LIMITED to DOMS INDUSTRIES PRIVATE LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name WRITEFINE PRODUCTS PRIVATE LIMITED.

Given under my hand at Ahmedabad this Twenty first day of April two thousand seventeen.



Rathod Kamleshkumar Gangjibhai  
Deputy RoC  
Registrar of Companies  
RoC - Ahmedabad

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Mailing Address as per record available in Registrar of Companies office:

DOMS INDUSTRIES PRIVATE LIMITED

J-19, G.I.D.C, Opp. Telephone Exchange, Umbergaon, Gujarat, India, 396171





**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

ROC Ahmedabad  
ROC Bhavan, Ahmedabad, RoC Bhavan Opp Rupal Park Society, Behind Ankur Bus Stop, Gujarat, 380013, India

Corporate Identity Number: U36991GJ2006PTC049275 / U36991GJ2006PTC049275

**SECTION 13(1) OF THE COMPANIES ACT, 2013**

Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The shareholders of M/s DOMS INDUSTRIES PRIVATE LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 03/07/2023 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Ahmedabad this TWELFTH day of JULY TWO THOUSAND TWENTY THREE

Document certified by DS MINISTRY OF CORPORATE  
AFFAIRES 1 <olrameshmishra@gmail.com>.

Digitally signed by  
DS MINISTRY OF CORPORATE  
AFFAIRES 1  
Date: 2023.07.12 16:17:20 IST

Ramesh Mishra  
Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies  
Registrar of Companies  
ROC Ahmedabad

Mailing Address as per record available in Registrar of Companies office:

**DOMS INDUSTRIES PRIVATE LIMITED**

**J-19, G.I.D.C, Opp. Telephone Exchange, Umbergaon, 396171, India, NA, Umbergaon-396171, Gujarat, India**





**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

ROC Ahmedabad  
ROC Bhavan, Ahmedabad, RoC Bhavan Opp Rupal Park Society, Behind Ankur Bus Stop, Gujarat, 380013, India

**Certificate of Incorporation Consequent upon conversion to public company**

Corporate Identity Number: U36991GJ2006PLC049275

IN THE MATTER OF DOMS INDUSTRIES PRIVATE LIMITED

I hereby certify that DOMS INDUSTRIES PRIVATE LIMITED which was originally incorporated on TWENTY FOURTH day of OCTOBER TWO THOUSAND SIX under Companies Act, 1956 as WRITEFINE PRODUCTS PRIVATE LIMITED and upon an intimation made for conversion into public company Company under Section 18 of the Companies Act, 2013; and approval of Central Government signified in writing having been accorded thereto by the ROC Ahmedabad vide SRN AA3773893 dated 27/07/2023 the name of the said company is this day changed to DOMS INDUSTRIES LIMITED

Given under my hand at Ahmedabad this THIRD day of AUGUST TWO THOUSAND TWENTY THREE

Document certified by DS MINISTRY OF CORPORATE  
AFFAIRES 1 <olrameshmishra@gmail.com>.

Digitally signed by  
DS MINISTRY OF CORPORATE  
AFFAIRES 1  
Date: 2023.08.10 11:52:32 IST

Indrajit Vania

Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies

Registrar of Companies

ROC Ahmedabad

Note: The corresponding form has been approved by Indrajit Vania, Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies and this letter has been digitally signed by the Registrar through a system generated digital signature under rule 9(2) of the Companies (Registration Offices and Fees) Rules, 2014

Mailing Address as per record available in Registrar of Companies office:

DOMS INDUSTRIES LIMITED

J-19, G.I.D.C, Opp. Telephone Exchange, NA, Umbergaon, Gujarat, India, 396171.





**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

Central Processing Centre  
Manesar, Plot No. 6,7, 8, Sector 5, IMT Manesar, Gurgaon, Haryana, 122050, India

Corporate Identity Number: L36991GJ2006PLC049275 / L36991GJ2006PLC049275

**SECTION 13(1) OF THE COMPANIES ACT, 2013**

Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The shareholders of M/s DOMS INDUSTRIES LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 23/09/2024 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at ROC, CPC this SEVENTEENTH day of OCTOBER TWO THOUSAND TWENTY FOUR

Document certified by DS CPC 1  
<VIVEK.MEENA@GOV.IN>

Digitally signed by  
DS CPC 1  
Date: 2024.10.17 10:24:09 IST

N Chinnachamy  
Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies  
Central Processing Centre

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Mailing Address as per record available in Registrar of Companies office:

**DOMS INDUSTRIES LIMITED**

**J-19, G.I.D.C, Opp. Telephone Exchange, Umbergaon- 396171, Gujarat, India**



**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**DOMS INDUSTRIES LIMITED**

- #1. The name of the Company is “DOMS INDUSTRIES LIMITED”
2. The Registered Office of the company will be situated in the State of Gujarat.
3. The objects for which the Company is established are:

**[A] THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION ARE:**

1. To carry on in India or elsewhere, with or without collaboration, the business to manufacture, produce, process, pack, repack, buy, sell, resell, export, import, develop, design, market, procure, print, supply and to act as agent, representative, consultants, collaborator, stockiest or otherwise to deal in all shapes, sizes, description, applications, specifications, designs, varieties and kinds of writing instruments including pens, ball pens, pencils, mechanical pencils, signing pens, roller pens, micro tip pens, sketch pens, highlighters, text markers, commercial markers, permanent markers, board markers, graphic art markers, specialty markers, paint and decorative markers.

\*2. To carry on in India or abroad the business of exporters, importers, distributors, merchants, manufacturers, traders, stockists, suppliers in all types of Art material, Modelling material, Wooden slats, computer stationery, office stationery, school stationery items like pen, pencils, sharpeners, erasers, sketch pens, drawing colours, water colours, adhesive, scale, account books, mathematical compass box, engineering drawing instruments and any other stationery items.

*\*The Main object No. 2 has been altered by addition of words Art material, Modelling material, Wooden slats vide special resolution passed on 09-01-2012.*

*#Private Word deleted vide Special Resolution passed on 14-07-2023*

\$3. To carry on in India or abroad with or without collaboration the business to manufacture, market, sale including retail sales, purchase, process, deal, import and export of all kinds of School Stationery products, art material products, hobby and craft products and Office Stationery products and such other items similar or related to stationery products.

\$4. To carry on in India or abroad with or without collaboration the business to manufacture, market, sale including retail sales, purchase, process, deal, import and export of all kinds of Bags, Pouches, Compass Boxes, and such other items similar or related to such products made out of different materials.



\$5. To carry on in India or abroad with or without collaboration the business to manufacture, market, sale including retail sales, purchase, process, deal, import and export of all kinds of Toys, Games, Playing Cards, Puzzles and such other items similar or related to toys, Games and playthings.

\$6. To carry on in India or abroad with or without collaboration the business to manufacture, market, sale including retail sales, purchase, process, deal, import and export of all kinds of utensils for babies, infants and children such as Bottles, Tiffin Boxes and such other items similar or related items made out of different materials.

\$7. To carry on in India or abroad with or without collaboration the business to manufacture, market, sale including retail sales, purchase, process, deal, import and export of all kinds of Products related to Baby Care and disposable hygiene products.

\$8. To carry on in India or abroad with or without collaboration the business to manufacture, market, sale including retail sales, purchase, process, deal, import and export of all kinds of Children Readymade Garments, Children Apparels, Clothing for Children, Bibs For Infants, Footwear for Children and such other items similar or related clothes.

\$9. To carry on in India or abroad with or without collaboration the business to manufacture, market, sale including retail sales, purchase, process, deal, import and export of all kinds of Confectionery items and such other items similar or related to confectionery.

\$10. To carry on in India or abroad with or without collaboration the business to manufacture, market, sale including retail sales, purchase, process, deal, import and export of all kinds of Sports gear, accessories and such other items similar or related to Sports related products made out of different materials.

\$11. To carry on in India or abroad with or without collaboration the business to manufacture, market, sale including retail sales, purchase, process, deal, import and export of all kinds of Cosmetic Pencils, cosmetics and tissues or wipes, and such other items similar or related to cosmetics.

*\$ The Main object clause has been altered by addition of new sub-clauses from Serial No. 3 to 11, by way of Special Resolution passed on Monday, September 23, 2024, at Annual General Meeting of Shareholders of the Company.*

\*[B] Matters which are necessary for furtherance of the objects specified in clause 3(A) are:

\*Existing Clauses No. 1 to 39 be deleted and a new clauses No. 1 to 37 be inserted in Clause III (B) Vide Special Resolution Passed on 03-07-2023 as follows.

1. To acquire, build, construct, improve, develop, give or take in exchange or on lease, rent, hire, occupy, allow, control, maintain, operate, run, sell, dispose of, carry out or alter as may be necessary or convenient any lease-hold or freehold lands, movable or immovable properties including building, workshops, warehouse, stores, easement or other rights, machineries, plant, work, stock in trade, industrial colonies, conveniences together with all modern amenities and facilities such as housing, schools, hospitals, water supply, sanitation, townships and other facilities or properties which may seem calculated directly or indirectly to advance the Company's objects and interest either in consideration of a gross sum of a rent charged in cash or services.

2. To apply for, purchase, acquire, and protect, prolong and renew in any part of the world any patents, patent rights, licences, protections and concessions which may appear likely to be advantageous or useful to the company and to use and turn to account and or grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions or rights which the company may acquire or proposes to acquire.
3. To establish, provide, maintain and conduct or subsidise research laboratories and experimental workshops for scientific and technical researches, experiments and tests of all kinds and devices and/or to sponsor or draw out programmes for promoting scientific, technical, social, economic and educational research and development and assist in the execution and promotion of such programmes either directly or through an independent agency or in any other manner, directly or indirectly and to secure such approvals, exemptions and /or recognition's under the Income Tax Act, 1961 and any other law for the time being in force and to promote studies and researched both scientific and technical investigations, endowing or assisting laboratories, workshops, libraries, lectures meetings and conferences and by providing or contributing to the award of scholarships, prizes, grants to students and generally to encourage, promote inventions of any kind that may be considered useful to the Company.
4. To form incorporate, promote, purchase, acquire, undertake or takeover, the whole or any part of the business, profession, goodwill, assets, properties (movable or immovable), contracts, agreements, rights, privileges, effects, obligations and liabilities of any persons, firm, Bodies Corporates or company or companies carrying on all or any of proposing to carry on or ceasing to carry on any business, profession or activities which the company is authorised to carry on any business, profession or activities which the Company is authorised to carry on or the acquisition of all or any of the properties, rights and assets of any Company or subject to the provisions of The Companies Act, 2013, the control and management of the Company or the undertaking of the acquisitions of any other object or objects which in the opinion of the Company could or might directly or indirectly be beneficial or advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation or takeover or acquisition and to remunerate any person, firm or Company in any manner, it shall think fit for services rendered or to be rendered for and in respect of such promotion or incorporation or takeover or acquisition or in obtaining subscription of or Company or companies, subject to the provisions of The Companies Act, 2013.
5. Subject to the provisions of applicable law to procure registration, incorporation or recognition of the Company in any country state or place and to establish and regulate agencies for the purpose of the company's business and to apply or join in applying to any parliament, local government, municipal or other authority or body, Indian or foreign for any rights or privileges that may seem conducive to the Company's objects or any of them and to oppose any bills, proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
6. To enter into partnership or any arrangement for sharing or pooling profits, amalgamations, union of interest, co-operation, joint venture, reciprocal concessions or to amalgamate with any person or company carrying on or engaged in or about to carry on or engaged in any business, undertaking or transactions which this company is authorised to carry on or engaged in any business, undertaking or transactions which may seem capable of being carried on or conducted, so as directly or indirectly, to benefit the company.

7. To acquire or amalgamate, absorb or merge with any other company or companies or to form, promote subsidiaries having objects altogether or in part similar to those of this company.
8. To manage, sell, dispose of, let, mortgage, exchange, redeem, underlet, grant leases, licenses, easements or turn to account or otherwise dispose of in any manner the whole of the undertaking or any properties (movable or immovable), assets, rights, and effects of the Company any part thereof, on such terms and for such purposes and for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other Company having objects altogether or in part similar to those of this Company and in the event of winding up of the Company to distribute among the members in specie or kind any properties or assets of the Company or any proceeds of sale or disposal of any properties of the Company, subject to the provisions of the Companies Act, 2013.
9. To pay all costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and charges in connection therewith and/or make donations (by cash or other assets) to remunerate by allotment of fully or partly paid shares or by a call or option on shares, debentures, debenture-stocks or securities of this or any other Company or in any other manner, whether out of the Company's capital or profits to any person, firm, Company assisting to place or guaranteeing the subscription of other security of the Company in or about the formation or promotion of the Company or for any other reason which the Company may think fit subject to the provisions of the Companies Act, 2013.
10. To promote or join in the promotion of any company or companies including subsidiary companies (wholly owned or partly owned) for the purpose of acquiring all or any of the properties, rights and liabilities of the company or for any other purposes which may seem directly or indirectly calculated to benefit the Company and to underwrite shares and securities therein.
11. To do all or any of the above things in India or in any part of the world as principals, agents, contractors or trustees and either alone or in conjunction with others.
12. To borrow or raise money, or to receive money on deposit at interest or otherwise in such manner as the Company may think fit, for the purpose of financing the business of the Company and in particular by the issue or sale of any bonds, mortgages of debentures or debenture stock perpetual or otherwise, including debentures or debenture stock convertible into shares of this or any other company, or perpetual annuities and in securities of any such money so borrowed, raised or received to mortgage or charge the whole or any part of the property, assets or revenue of the Companies present or future, including its uncalled capital assignment or otherwise and to transfer or sell other powers as may seem expedient and to purchase, redeem or pay off any such securities, subject to the directives of R.B.I.
13. To make, draw, accept, endorse, discount, execute, negotiate, assign, and issue cheques, promissory notes, drafts, hundies, bonds, railway receipts, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instrument.
14. To guarantee the payment of money secured or unsecured by or payable under or in respect of any promissory notes, bonds, debenture stocks, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, central, state, municipal, local or of any person whomsoever whether incorporated or not incorporated and generally to guarantee or

become sureties for the performance of any contracts or obligations of any person, firm or company and to guarantee the repayment of loan with interest availed from Financial institution/s, Banks, Private Financiers, availed by any person, company, firm, society, trust or body corporate.

15. To guarantee or become liable for the performance of the obligations and the payment of interest on any debentures or securities of any company, corporation or association or a persons in which such guarantees may be considered beneficial or advantageous, directly or indirectly to further the objects of the Company or the interest of the members.
16. Subject to the provisions of the Companies Act, 2013 to accumulate funds and to invest or deal in with and invest money belonging to the Company in any deposits, shares, stocks, debentures, debenture-stocks, kinds obligations, or securities by original subscription, participation in syndicates having similar objects and to tender, purchase, exchange and to subscribe for the same and to guarantee the subscription thereof and to exercise and enforce all the rights and powers conferred by or incidental to the ownership thereof.
17. To open and operate current, overdrafts, loan, cash credit or deposit or any other type of accounts with any banks, company, firm, association or person.
18. To establish, continue and support or aid in the establishment of cooperative societies, association and other institutions, funds, trusts, amenities and conveniences calculated to benefit or indemnify or insure employees or ex-employees of the Company or Directors or ex-Directors of the Company or the dependants or connections of such persons and at its discretion to construct, maintain, building, houses, dwelling or chawls or to grant bonus, pensions and allowance and to make payments towards insurance and to pay for charitable or benevolent objects, also to remunerate or make donations by cash or other assets or other assets or to remunerate by the allotment of shares credited as fully or partly paid for services rendered or to be rendered in placing or assisting to place any shares in the Company's capital or any debentures, debenture-stocks or other securities of the Company in or about the formation or promotion of the Company or for the conduct of its business.
19. To undertake, carry out, promote and sponsor rural or semi urban or urban development including any programme for promoting the social and economic welfare or uplift of the public in any such area and to incur any expenditure on any programme of rural, semi-urban and urban development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner.
20. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for the discharging of social and moral responsibilities of the Company to the public or any section of the public as also any activities to promote national welfare or social, economic and without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any social activities for publication of any books, literature, news-papers or for organising lectures or seminars likely to advance these objects or for giving merit awards or scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, funds or trusts having any one of the aforesaid objects as

one of its objects by giving donations and/or contributions, subsidies, and/or grants or in any other manner.

21. To donate, gift, contribute, subscribe, promote, support or aid or assist or guarantee money to charitable, benevolent, religious, scientific, national, public or to other institutions, funds or objects, or for any public, general or other objects and to accept gifts, bequests devices and donations from any firm, company or persons as may be thought appropriate or conducive to the interest of the Company.
22. To create any depreciation fund, reserve funds, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures, redeemable preference shares or gratuity or pension or for any other purpose conducive to the interest of the Company.
23. Subject to Section 52 of the Companies Act, 2013, to place, reserve, distribute, as dividend or bonus or to apply as the Company may from time to time determine any moneys received in payment of dividend or money arising from the sale of forfeited shares or any money received by way of premium on shares or debentures issued at a premium by the Company.
24. To engage, employ, train, either in India or elsewhere, suspend and dismiss employees and to remunerate at such rate as shall be thought fit and to grant pensions or gratuities or to his widow or children and generally to provide for the welfare of employees.
25. To refer or agree to refer any claims, demands, disputes or any other questions by or against company or in which the company is interested or concerned and whether between the Company and the member or members or his or their representatives or between the Company and third party to arbitration in India or at any place outside India and to observe, perform and to do all acts, deeds, matters and things to carry out or enforce the awards.
26. To use trademarks, trade names or brand names for the business activities products and goods and adopt such means of making known the business and products in which the company is dealing as may seem expedient and in particular by advertising on radio, television, newspapers, magazines, periodicals, by circulars, by opening stalls and exhibition, by publication of books and periodicals, by distributing samples and by ranting prizes, rewards and awards.
27. To undertake the payment of all rent and the performance of all covenants, contracts, conditions and agreements contained in and reserved by any lease that may be granted or assigned to or acquired by the Company.
28. To become members of or to enter into any agreement with any institution, association or company carrying on or which may carry on research and other scientific work of investigation in connection with any business of Company or other trades or industries allied therewith or ancillary thereto and to acquire shares in any such institutions, association or company and contribute towards the capital or funds, thereof.
29. To undertake and execute any trust which may be beneficial to the Company directly or indirectly.

30. To ensure properties, assets, undertakings, contracts, guarantees, liabilities, risks or obligations of the Company of every nature and kind.
31. To receive donations, gifts, contributions, subsidies, grants, and other mode of receipts of money for the furtherance of the objects of the Company.
32. To invest the funds of the Company not immediately required in Government or Semi Government corporations, companies, funds or firms.
33. To pay a share in the profit of the company or commission to brokers sub-agents, agents or any other company, firm or person including the employees of the Company as may be thought fit for services rendered to the Company.
34. To employ experts, to investigate and examine into the conditions prospects, value character and circumstances of any business concerns and undertaking and generally of any assets, concessions, properties and/or rights.
35. To open establish, maintain and to discontinue in India or overseas any offices, branch offices, regional offices, trade centers, exhibition centers, liaison offices and to keep local or resident representative in any part of the world for the purpose of promoting the business of the company.
36. To enter into arrangement for technical collaboration and/or other form of agreement including capital participation with a foreign or Indian company for the purpose of manufacture, quality control and product improvements and for marketing of the products which the Company is empowered to manufacture and/or market and to pay or to receive for such technical assistance or collaborations, royalties or other fees in cash or by allotment of shares of the Company credited as paid up or issue of debentures or debentures-stock, subject to the provision of laws for the time being in force.
37. To secure contracts for supply of the products manufactured by the company to military, civil and other departments of the government or semi-government bodies, corporations, public or private contracts, firms or persons and to recruit trained persons including persons retired from defence, police, military and paramilitary forces to employ detectives.

**[C] OTHER OBJECTS OF THE COMPANY NOT INCLUDED IN [A] AND [B] ABOVE**

Deleted Vide Special Resolution Passed On 03-07-2023

4. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- 5\*. *The Authorized Share Capital of the Company is ₹ 70,00,00,000 (Rupees Seventy Crores Only) divided into 7,00,00,000 (Seven Crores) Equity Shares of ₹ 10 (Rupees Ten Only) each.*

*\* Clause 5 of has been altered by passing of Ordinary Resolution on 03-07-2023.*

We the several persons whose names and addresses are subscribed hereto, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names:

Sr. No.	Names, Addresses, Descriptions, Occupations and Signature of the Subscribers	Number of Equity Shares taken by each Subscriber	Names, Addresses, Description and Occupation of the Common Witness
1.	<p>Santosh Raveshia S/o Rasiklal A. Raveshia 'SURAJ', Plot No. 114, G.I.D.C. Residential Area, Gujarat, Dist. Valsad, PIN: 396171, Umbergaon.</p> <p>Occupation: Business</p> <p>SD/-</p>	<p>6,600 (Six Thousand Six Hundred)</p>	<p>Manish I. Shah S/o. Indravadan N. Rathod</p> <p>CM/20, 2<sup>nd</sup> Floor, Above State Bank of Indore Silvassa Road, G.I.D.C., Vapi - 396195.</p>
2.	<p>Ritesh Mundhra S/o Shankarlal C. Mundhra B-1/ 702, Jamnotri, Bangar Nagar, Goregaon (W), Mumbai - 400090.</p> <p>Occupation: Business</p> <p>SD/-</p>	<p>3,400 (Three Thousand Four Hundred)</p>	<p>Occupation: Practicing Chartered Accountant</p> <p>M.NO. 106342</p> <p>SD/-</p>
		<p>10,000 (Ten Thousand)</p>	

Place: Vapi

Dated 30<sup>th</sup> day of September, 2006

**THE COMPANIES ACT, 2013**  
**(COMPANY LIMITED BY SHARES)**  
**ARTICLES OF ASSOCIATION**

**OF**

**DOMS INDUSTRIES LIMITED (“COMPANY”)**

**I. APPLICABILITY OF TABLE F**

Subject as hereinafter provided, the regulations contained in Table ‘F’ in Schedule I of the Companies Act, 2013 shall apply to the Company in so far as they are not inconsistent with any of the provisions contained in these Articles and except in so far as is impliedly or expressly modified by the Articles mentioned, as altered or amended from time to time.

The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by a special resolution as prescribed or permitted by the Companies Act, 2013, as amended, be such as are contained in these Articles.

The Articles of Association of our Company comprise two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other till the date of filing of the updated Draft Red Herring Prospectus with the Securities and Exchange Board of India (“SEBI”) pursuant to the Offer. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. All provisions of Part B shall automatically terminate without any further corporate or other action by the Company by its shareholders and cease to have any force as on the date of filing of the updated Draft Red Herring Prospectus with SEBI pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by our Company or its Shareholders. The Articles of Association have been approved by the Board and the Shareholders pursuant to the resolutions dated August 17, 2023 and August 17, 2023 respectively.

**PART A**

**I. DEFINITIONS AND INTERPRETATIONS**

1. Capitalized terms wherever defined in these Articles (as defined below), shall unless the context otherwise require, have the meaning so assigned to them throughout these Articles. For purposes of these Articles, the following words and expressions, when capitalised, shall have the following meanings assigned to them.
  - (a) **“Act”** means the Companies Act, 2013, the rules and regulations made thereunder and any amendments thereto and includes any statutory modification or re-enactment thereof for the time being in force.
  - (b) **“Articles”** means the articles of association of the Company as amended from time to time.
  - (c) **“Board of Directors”** or **“Board”** means the board of directors of the Company, as constituted from time to time.



- (d) **“Company”** shall mean DOMS Industries Limited.
- (e) **“Company Secretary”** means a company secretary as defined in clause (c) of Section 2 of the Company Secretaries Act, 1980.
- (f) **“Committee”** means any committee of the Board.
- (g) **“Directors”** means the directors on the Board and **“Director”** has the corresponding meaning.
- (h) **“Dividend”** shall include interim dividends and final dividends paid to the Shareholders.
- (i) **“Equity Share Capital”** means the equity share capital of the Company within the meaning of Section 43 of the Companies Act, 2013.
- (j) **“Equity Shares”** means the equity shares of the Company having a face value of such amount as specified in Clause V of the Memorandum of Association.
- (k) **“General Meeting”** means either an annual general meeting of Shareholders or an extraordinary general meeting of Shareholders.
- (l) **“INR”** or **“Rs.”** means the Indian Rupee, the currency and legal tender of the Republic of India.
- (m) **“Investor Education and Protection Fund”** means the fund established by the Central Government under Section 125 of the Act.
- (n) **“Law”** includes all Indian statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, determinations, directives, writs, decrees, injunctions, judgments, rulings, awards, clarifications and other delegated legislations and orders of any governmental authority (including but not limited to the Reserve Bank of India Act, 1934, as amended and any applicable rules, regulations and directives of the Reserve Bank of India), statutory authority, tribunal, board, court, stock exchange or other judicial or quasi-judicial adjudicating authority and, if applicable, foreign law, international treaties, protocols and regulations.
- (o) **“Manager”** means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a company, and includes a director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not.
- (p) **“Managing Director”** means a director who, by virtue of these Articles or an agreement with the Company or a resolution passed in the General Meeting, or by the Board, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.
- (q) **“Member”** means (a) the subscribers to the Memorandum of Association of the Company who shall be deemed to have agreed to become members of the company, and on its registration, shall be entered as member in its register of members, (b) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the

Company; and (c) every person holding shares in the Company and whose name is entered in Register of Beneficial Owners as Beneficial Owners.

- (r) **“Memorandum of Association”** means the memorandum of association of the Company as altered from time to time.
- (s) **“Person”** means an individual or an entity, including a corporation, limited liability company, partnership, trust, unincorporated organization, association or other business or investment entity or any Governmental Authority.
- (t) **“Preference Share Capital”** means the preference share capital of the Company within the meaning of Section 43 of the Companies Act, 2013.
- (u) **“Preference Shares”** means in relation to the Company, its preference Shares within the meaning of Section 43 of the Act, as amended from time to time.
- (v) **“Promoter”** means a person (a) who has been named as such in a prospectus or is identified by the Company in the annual return referred to in Section 92 of the Act; or (b) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, director or otherwise; or (c) in accordance with whose advice, directions or instructions the Board is accustomed to act. Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity.
- (w) **“Registrar”** or **“RoC”** or **“Registrar of Companies”** means Registrar of Companies, Gujarat at Ahmedabad.
- (x) **“Securities”** means the Equity Shares, Preference Shares, debentures, bonds, loans, warrants, options and/ or other similar instruments or securities of the Company which are convertible into or exercisable or exchangeable for or which carry a right to subscribe to or purchase, Equity Shares or any instrument or certificate representing a legal or beneficial ownership interest in Equity Shares, including global depository receipts or American depository receipts.
- (y) **“Share Capital”** means the Equity Share Capital and Preference Share Capital of any face value together with all rights, differential rights, obligations, title, interest and claim in such Shares and includes all subsequent issue of such Shares of whatever face value or description, bonus Shares, conversion Shares and Shares issued pursuant to a stock split or the exercise of any warrant, option or other convertible security of the Company.
- (z) **“Shareholder(s)”** means any Person who holds the Securities at any given time.
- (aa) **“Special Resolution”** shall have the meaning assigned to it in Section 114 of the Act.
- (bb) **“Whole-time Director”** includes a director in the whole-time employment of the Company.

Additionally for the purposes of Article XVI (Dematerialisation of Securities) the following words and expressions, when capitalised, shall have the following meanings assigned to them:

- (i) **“Beneficial Owner”** shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

- (ii) **“Depositories Act 1996”** shall include any statutory modification or re-enactment thereof.
  - (iii) **“Depository”** shall mean a Depository as defined in clause (e) of sub-section (1) of Section 2 of the Depository Act, 1996.
  - (iv) **“SEBI”** means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
  - (v) **“Security”** means such security as may be specified by SEBI from time to time.
  - (vi) **“Register”** means the Register of Members to be kept in pursuant to the Act and where shares are held in dematerialized form and includes the register of Beneficial Owners maintained by a Depository.
2. The terms “writing” or “written” include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form.
  3. The headings hereto shall not affect the construction hereof.
  4. Notwithstanding anything contained in these Articles, any reference to a “person” in these Articles shall, unless the context otherwise requires, be construed to include a reference to a body corporate or an association, any individual, company, partnership, joint venture, firm, trust or body of individuals (whether incorporated or not).
  5. Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.
  6. Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.

## **II. PUBLIC COMPANY**

7. The Company is a public company within the meaning of the Act.

## **III. SHARE CAPITAL**

8. The authorized Share Capital of the Company shall be the same as provided in clause V of the Memorandum of Association of the Company with the power to increase or reduce the Share Capital with the rights, privileges and conditions, attaching thereto as are provided by the Articles of Association of the Company for the time being, with the power to divide the share in the capital for the time being into such preferential, qualified to special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or statutory modification thereof or provided by the Articles of Association of the Company for the time being. The Company may issue warrants as per terms of an agreement or otherwise upon an application made in this regard in writing addressed to the board and the board is hereby authorized to issue warrant upon such terms as it may deem fit in the interest of the Company.

9. The Company in the General Meeting may, from time to time by an ordinary resolution increase the capital by creation of new Shares, such increase to be divided into Shares of respective amounts as the resolution shall prescribe. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to Dividends, and in distribution of assets of the Company and with a right of voting at General Meetings of the Company in conformity with Section 47 of the Companies Act 2013. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Companies Act 2013. Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Securities in any manner whatsoever as the board may determine including by way of preferential allotment or private placement subject to and in accordance with Act and rules made thereunder with pricing method prescribed to listed entities under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, if applicable.
10. Except in so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, rights and otherwise in all respect as if it had been the original capital.
11. The Company may issue the following kinds of Shares in accordance with these Articles, the Act and other applicable Laws:
  - (i) Equity Share Capital:
    - (a) with voting rights; and / or
    - (b) with differential rights as to Dividend, voting or otherwise; and
  - (ii) Preference Share Capital
12. Subject to the provisions of the Act, the Company may, from time to time, by a Special Resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:
  - (a) the Share Capital;
  - (b) any capital redemption reserve account; or
  - (c) any Share premium account.
13. The Company in a general meeting may, from time to time, sub-divide or consolidate the Shares under the powers conferred by Section 61 of the Act and shall file with the Registrar such notice of exercise of any such powers as may be required by the Act. Provided however that the provision relating to progressive numbering shall not apply to the Shares of the Company which have been dematerialized.
14. The paid up capital of the Company shall be at minimum of Rs. 100,000.

#### **IV. JOINT HOLDERS**

15. The joint holders of a share shall be severally as well as jointly be liable for the payment of all installments and calls in respect of such Shares with benefits of survivorship subject to the following and other provisions contained in the Articles.
16. Shares may be registered in the name of any person, company or other body corporate but not more than three persons shall be registered jointly as Members in respect of any Shares.
17. The certificate of Shares registered in the names of two or more persons shall be delivered to the person first named in the Register.
18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
19. If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of share certificates, Dividends or bonus or service and all or any other matter connected with the company, except voting at meeting and the transferee of the Shares be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof. Any one of two or more joint holders of a share may give effective receipts for any Dividends, bonuses or other monies payable in respect of such share.
20. In the case of death of any one or more of the persons named in the Register as the joint holder of any share, the survivors shall be the only persons recognised by the company as having any title to or interest in such share. But nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
21. If there be joint registered holders of any shares, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he was solely entitled thereto, provided that if more than one of such joint holders be present at any meeting either personally or by proxy then one of the said persons so present whose name stands higher on the Register shall alone be entitled to vote in respect of such shares.
22. A document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint holder named first in the Register in respect of the share.

#### **V. PREFERENCE SHARES**

23. (a) Subject to the provisions of Section 55 of the Companies Act 2013, the Company shall have the power to issue Preference Shares which will be redeemed not later than 20 years from the date of the allotment, on such terms & conditions including Dividend, redemption etc. as the Board may deem fit.
- (b) On the issue of redeemable preference shares under the provisions of point (a) hereof the following provisions shall take effect:

- (i) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- (ii) no such shares shall be redeemed unless they are fully paid;
- (iii) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's security premium account before the shares are redeemed;
- (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called the "capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Companies Act 2013, apply as if the Capital Redemption Reserve Account were paid-up Share Capital of the Company.

#### **VI. BONUS ISSUE OF SHARES**

24. Subject to the provisions of Section 63 of the Act, the Company may issue bonus shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

#### **VII. SHARES UNDER THE CONTROL OF DIRECTORS**

25. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of Directors, who may allot, issue or otherwise dispose of the same to such person on such terms and conditions and at such times as the Directors shall think fit, and with full power to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Section 52 and 53 of the Act) at a premium or at par and such option being exercisable for such time and for such consideration as the Directors think fit. The Company may at any time issue any shares which are redeemable in accordance with and subject to the provisions of Section 55 of the Act.
26. The Board may, subject to the provisions of the Act and these Articles allot and issue shares in the capital of the Company as consideration for any property sold and transferred, or for services rendered to the Company in the conduct of the business and, any shares which may be so issued shall be deemed to be partly or fully paid up shares, as the case may be. Provided that option or right to call for shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

#### **VIII. SHARE CAPITAL AND VARIATION OF RIGHTS**

27. If at any time the Share Capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the applicable provisions of the Act, and whether or not the company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special

Resolution passed at a separate meeting of the holders of the shares of that class. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.

28. The rights conferred upon the holders of the shares of any class issued with preferred or other right shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
29. Subject to Law, where at any time, it is proposed to increase its subscribed capital by the issue/allotment of further Shares either out of the unissued capital or increased Share Capital then, such further Shares may be offered to:
  - (i) Persons who, at the date of offer, are holders of Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares by sending a letter of offer subject to the following conditions: (a) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than 15 (fifteen) days or such lesser number of days as may be prescribed under the Act and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; (b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person and the notice referred to in (a) shall contain a statement of this right, provided that the Board may decline, without assigning any reason therefore, to allot any Shares to any Person in whose favor any Member may renounce the Shares offered to him; and (c) after expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company;
  - (ii) employees under a scheme of employees' stock option, subject to a Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or
  - (iii) any Persons, if authorised by a Special Resolution, whether or not those Persons include the Persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to applicable Law.
  - (iv) Nothing in sub-clause (c) of (i) shall be deemed:
    - (a) To extend the time within which the offer should be accepted; or
    - (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

The notice referred to in 29 (i) (a) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.

30. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.
31. Nothing in Article 29 above, shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures Issued by the company:
- (i) To convert such debentures or loans into shares in the company; or
  - (ii) To subscribe for shares in the company

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term has been approved before the issue of such debentures or the raising of loan by a Special Resolution adopted by the Company in a General Meeting.

Provided further that, notwithstanding anything contained above, where any debentures have been issued, or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion; provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within 60 (sixty) days from the date of communication of such order, appeal to the National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

32. In determining the terms and conditions of conversion under Article 31, the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
33. Where the Government has, by an order made under Article 31, directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under Article 31 or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, be altered and the authorized Share Capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into

#### **IX. SHARE CERTIFICATE**

34. The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a "foreign register" of Members or debenture holders resident in that country.



35. Except as required by Law, no person shall be recognized by the Company as holding any shares upon any trust and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by Law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- (a) Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so time determine, subject to a maximum of twenty rupee) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months after allotment or within one month from the receipt of the application for the registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be.
  - (b) Every certificate shall be under the seal and shall specify the number and distinctive numbers of shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by one Director and the Company Secretary, wherever the Company has appointed a Company Secretary and shall be in such form as prescribed under sub-section (3) of Section 46 of the Act.
  - (c) In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than 1 (one) certificate, and delivery of a certificate for a Share to 1 (one) or several joint holders shall be sufficient delivery to all such holders. Subject to the provisions of the Act, any Member of the Company shall have the right to sub-divide, split or consolidate the total number of Shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation.
36. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding INR 50 (Rupees fifty) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares. Notwithstanding the foregoing provisions of this Article, the Board shall comply with applicable Law including the rules or regulations or requirements of any stock exchange, or the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.

37. Subject to the provisions of the Act, the provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures of the Company.
38. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.

#### **X. BUY BACK OF SHARES**

39. The Company shall have the power to buy-back its own shares or other Securities, as it considers necessary, subject to the provisions of Section 68, 69 and 70 of the Act and other applicable provisions of the Law.

#### **XI. SWEAT EQUITY SHARES**

40. Subject to the provisions of the Act and all other applicable Laws, if any, the company may from time to time issue any Securities including equity shares, preference shares whether convertible into equity or not, debentures, whether convertible into equity or not, sweat equity warrants and or any other Securities.

#### **XII. LIEN**

41. (a) The company shall have a first and paramount lien –
- (i) on every share/debenture (not being a fully-paid share/debenture) registered in the name of each Member or holder, respectively (whether solely or jointly with others), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of such Share or debenture; and
  - (ii) on all shares/debentures (not being fully-paid shares/debentures) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
- Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- Provided that fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.
- (b) The Company's lien, if any, on a share shall extend to all Dividends or bonuses payable from time to time declared in respect of such shares/debentures.
  - (c) The Company's Lien, if any, on a debenture shall extend to the interest payable from time to time in respect of such debentures.

42. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien;

Provided that no sale shall be made;

- (a) Unless the sum in respect of which lien exists is presently payable; or
  - (b) Until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which lien exists as is presently payable, has been given to the registered holder for the time being of the share other person entitled thereto by reason of his death for insolvency.
43. (a) To give effect to such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereafter.
- (b) The purchaser shall be registered as a holder of the shares comprised in any such transfer.
- (c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceeding in reference to the sale.
44. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.
45. (a) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (b) The residue, if any, shall, subject to like lien for sum not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of sale.
46. A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of Lien.

### **XIII. CALLS ON SHARES**

47. (a) The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
- Provided that option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings.
- Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (b) Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- (c) A call may be revoked or postponed at the discretion of the Board.

48. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
49. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
50. (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- (b) The Board shall be at liberty to waive payment of any such interest wholly or in part.
51. (a) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (b) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
52. The Board—
- (a) may, if it thinks fit, subject to the provisions of the Act agree to and, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him beyond the sums actually called for; and
- (b) upon all or any of the monies so paid or satisfied in advance, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the Member paying the sum in advance. The Members shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to any calls on Debentures of the Company.
53. Where any calls for further Share Capital are made on the shares of a class, such calls shall be made on a uniform basis on all shares falling under that class. For the purposes of this Article, shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

#### **XIV. TRANSFER OF SHARES**

54. (a) The Securities or other interest of any Member shall be freely transferable, *provided that* any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract.

- (b) The instrument of transfer of any share in the Company shall be in writing and all provisions of the Act and statutory modifications thereof shall be duly complied with in respect of all transfer of shares and registrations thereof. The instrument of transfer shall be executed by or on behalf of both the transferor and transferee.
  - (c) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of Members in respect thereof.
  - (d) A common form of transfer shall be used in case of transfer of shares.
- 55. The Board may, subject to the right of appeal conferred by Section 58 of the Act, decline to register—
  - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of shares on which the Company has a lien.
- 56. The Board may decline to recognize any instrument of transfer unless—
  - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Act;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) The instrument of transfer is in respect of only one class of shares.
- 57. The Board shall not refuse the registration of transfer on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.
- 58. On giving not less than seven days' previous notice in accordance with Section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.
- 59. Provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than forty-five days in the aggregate in any year.
- 60. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.
- 61. Subject to the provisions of these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may (at its own absolute discretion) decline or refuse by giving reasons, whether in pursuance of any power of the Company under these Articles or otherwise, to register or acknowledge any transfer of, or the transmission by operation of Law of the right to, any Securities or interest of a Member in the Company, after providing sufficient cause, within a period of thirty (30) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company. Provided the

Board shall not refuse the registration of a transfer on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on the shares or other Securities, provided however, that the Board may decline to register or acknowledge any transfer, whether fully paid-up or not, if the transfer results in, or is perceived to or may result in, a contravention or violation of any foreign investment limit or restriction under applicable Law as applicable to the Company, and further, that the decision of the Board or any persons designated by the Board with respect to whether the transfer results in, or is perceived to or may result in, a contravention or violation of any foreign investment limit or restriction under applicable Law as applicable to the Company shall be final and binding in all respects. Transfer of shares/debentures in whatever lot shall not be refused. Only fully paid Shares or Debentures shall be transferred to a minor acting through his/ her legal or natural guardian. Under no circumstances, Shares or Debentures be transferred to any insolvent or a person of unsound mind.

#### **XV. TRANSMISSION OF SHARES**

62. (a) On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (b) Nothing in clause (a) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
63. (a) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (i) to be registered himself as holder of the share; or
- (ii) to make such transfer of the share as the deceased or insolvent Member could have made.
- (b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency.
64. (a) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

65. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **XVI. DEMATERIALISATION OF SECURITIES**

66. (a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debenture and other Securities, rematerialize its shares, debentures and other Securities held in the Depositories and/or offer its fresh shares, debentures and other Securities, in a dematerialized form pursuant to the Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (b) Every person subscribing to Securities offered by the Company shall have the option to receive security certificates or to hold the Securities with a depository. Such a person who is the Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by the Law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificate of Securities.
- (c) The rights and obligations of the Members holding / Beneficial Owners of such dematerialized shares concerned, and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.
- If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.
- (d) All Securities held by a depository shall be dematerialized and be in fungible form.
- (e) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.

Save as otherwise provided above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

The Beneficial Owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities, which are held by a depository.

- (f) Notwithstanding anything in the Act or these Articles to the contrary, where Securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs or any other mode as prescribed by Law from time to time.
- (g) Notwithstanding anything contained in these Articles, every holder of shares in or debentures of the Company may at any time nominate in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death. Such nomination and right of nominee to be registered as holder of shares/ debentures as the case may be or for transfer of the shares/debentures as the case may be shall be governed by the applicable provisions of the Act.
- (h) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held in the depository mode.
- (i) The Company shall cause to be kept a register and index of significant Beneficial Owners in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in dematerialised forms in any medium as may be permitted by Law including in any form of electronic medium. The Company shall be entitled to keep in any country outside India a branch Register of Beneficial Owners residing outside India.

#### **XVII. FORFEITURE OF SHARES**

- 67.
- (a) If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
  - (b) The notice aforesaid shall –
    - (i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
    - (ii) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
  - (c) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
  - (d)
    - (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.



- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- (e) (i) A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- (f) (i) A duly verified declaration in writing that the declarant is a Director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the shares.
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- (g) The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **XVIII. ALTERATION OF CAPITAL**

68. Subject to these Articles and the provisions of the Act, the Company may, from time to time, by ordinary resolution increase the Share Capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
69. Subject to the provisions of the Act, the Company may from time to time by ordinary resolution undertake any of the following:
- (a) consolidate or divide all or any of its Share Capital into shares of larger amount than its existing shares;
- Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

70. Where shares are converted into stock,—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such a minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the Dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

71. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, — i) its share capital; ii) any capital redemption reserve account; or iii) any share premium account.

#### **XIX. GENERAL MEETINGS AND PROCEEDINGS**

72. An annual General Meeting shall be held each calendar year within the timeline prescribed under Applicable Law. Not more than 15 (fifteen) months shall elapse between the date of one annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar under the provisions of Section 96 of the Act to extend the time within which any annual General Meeting may be held. Every annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situated, as the Board may determine.

73. All General Meetings other than the annual General Meetings shall be called extraordinary General Meetings.

74. The Board may, whenever it thinks fit, call an extraordinary General Meeting.
75. The Board shall on the requisition of such number of member or members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extraordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.
76. (a) A General Meeting of the Company may be called by giving not less than clear 21 (twenty one) days' notice *provided that* a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode in accordance with Section 102 of the Act.
- (b) Notice of every General Meeting shall be given to the Members and to such other person or persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.
- (c) Provisions contained in Section 102 of the Act shall apply to the Company.
- (d) The accidental omissions to give any such notice or the non-receipt of any such notice by any of the members to whom it should be given shall not invalidate any resolutions passed or proceedings held at any such meeting.
- (e) No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
- (f) An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company at least 48 hours before the Meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 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 Section 105 of the Companies Act, 2013.
- (g) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer shall have been received at the office before the meeting.
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
- (h) No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has or has exercised any right of lien, in pursuance of Section 106 of the Act.

- (i) Every question raised in or submitted to a meeting shall be decided in accordance with votes as provided in clause (i) hereinafter and shall be exercised by the Members giving the votes either in person or representing other Member(s) by proxy.
- (j) In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and his decision would be final.
- (k) No business shall be discussed at any General Meeting except election of a Chairman while the chair is vacant.
- (l) Subject to any rights or restrictions for the time being attached in any class or classes of shares,
  - (i) On a show of hands, every member holding Equity Shares or shares and present in person shall have one vote, and
  - (ii) On a poll, the voting rights of Members shall be in proportion to their share in the paid-up Equity Share Capital.
- (m) A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
- (n) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- (o) The Chairman may, with the consent of Members at any meeting at which a quorum is present, and shall, if so directed at the meeting, adjourn the meeting, from time to time and from place to place.
- (p) No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (q) When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (r) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (s) Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutinisers as deemed necessary to scrutinise the votes given on the poll and to report thereon to him/ her in accordance with Section 109 of the Act.
- (t) The Chairman shall have the power, at any time before the result of the poll is declared to remove a scrutiniser from office and to fill vacancies in the office of scrutiniser arising from such removal or from any other cause.
- (u) Of the two scrutinisers, one shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed.

- (v) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- (w) (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meetings at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

## **XX. BOARD OF DIRECTORS**

- 77. The business of the Company shall be managed by the Directors who may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not restricted by the Act or by these Articles.
- 78. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and will not exceed 15 (fifteen) at any time. However, the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution. The Company shall have such minimum number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable Laws and regulations. Further, the appointment of such independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.
- 79. Subject to the provisions of the Act, the Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation.
  - (a) At every annual General Meeting of the Company, one-third of such of the Directors (that does not include independent Directors, whether appointed under the Act or any other Law for the time being in force, on the Board of the Company) for the time being as are liable to retire by rotation pursuant to applicable Law or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to one-third shall retire from office.
  - (b) Subject to Section 152(6)(d) of the Act, the Directors to retire by rotation at every annual General Meeting shall be those who have been longest in office since their last appointment, but as between Persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement amount themselves, be determined by lot.
  - (c) A retiring Director shall be eligible for re-election.
  - (d) Subject to Sections 152(6)(e) and 152(7)(a) of the Act and these Articles, the Company at the General Meeting at which a Director retires in a manner aforesaid may fill up the vacated office by electing a Person thereto.
  - (e) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

- (f) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, then the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
- (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
  - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
  - (iii) he is not qualified or is disqualified for appointment; or
  - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.
80. Subject to Section 197 and other applicable provisions of the Act, the remuneration of Directors may be a fixed sum by way of monthly payment or a percentage of the net profits or partly by one way and partly by the other.
81. Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.
82. In addition to the remuneration payable to them in pursuance of the Act, the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Board or any committee thereof or General Meetings of the Company and any other expenses properly incurred by them in connection with the business of the Company. If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act.
83. A Director shall not be required to hold any qualification shares in the Company.
84. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint any other person as an additional director provided that the number of the Directors and additional Directors together shall not at any time exceed the maximum number fixed as above and any person so appointed as an additional Director shall retain his office only up to the date of the next annual General Meeting or last date on which the annual General Meeting should have been held, whichever is earlier, but shall then be eligible for re-appointment as Director of the Company.
85. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an "**Original Director**"), subject to these Articles and the provisions of the Act, the Board may appoint another person (an "**Alternate Director**") for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence. No Person shall be appointed as an Alternate Director to an independent Director unless such Person is qualified to be appointed as an independent Director of the Company. Any person so appointed as Alternate Director shall not hold office for a

period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India

86. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act or the rules framed thereunder. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing addressed to the Board and the Company shall intimate the registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Subject to the Act, such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office.
87. At any annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.
88. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.
89. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.
90. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting. Provided any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.
91. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of such Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification shares.

## XXI. PROCEEDINGS OF BOARD

92. The Board may meet for the conduct of business and may adjourn and otherwise regulate its meetings, as it thinks fit.
93. A Director may and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
94. A minimum number of 4 (four) Board meetings shall be held every year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board, in accordance with the provisions of the Act.
95. Subject to the provisions of the Act and the rules framed thereunder, all or any of the Directors or members of any committee of the Board may participate in a meeting of the Directors or such committee through video conferencing or other audio visual means.
96. No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum under this Article, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.
97. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.
98. The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.
99. Subject to the provisions of the Act and the rules framed thereunder allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director. Each notice of a Board meeting shall:
  - (a) specify a reasonably detailed agenda. Unless waived in writing by all Directors, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board;
  - (b) be accompanied by any relevant supporting papers; and



- (c) be sent by: (i) by e-mail or facsimile transmission or courier if sent to an address in India; (ii) by e-mail or facsimile transmission if sent to an address outside India; or by hand delivery.
100. Save as otherwise expressly provided in the Act or these Articles, questions arising at any meeting of the Board shall be decided by a majority of votes.
101. The Directors may from time to time elect a Chairperson who shall preside at the meetings of the Directors and determine the period for which he is to hold office. The same individual may be appointed as the chairperson of the Company as well as the Managing Director and/or the chief executive officer of the Company. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the chairperson of the meeting.
102. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of a committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, as if it had been passed at a meeting of the Board or committee, duly convened and held, provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.
103. The Board shall constitute the statutory committees in accordance with applicable Law. Subject to provisions of the Act, the Board may delegate any of its powers to committees consisting of such Director or Directors as it thinks fit.
104. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
105. Subject to applicable Law and these Articles, a committee may elect a chairperson of its meetings.
106. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of themselves to be the chairperson of the meeting.
107. A committee may meet and adjourn as it thinks fit.
108. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. In case of an equality of votes, the chairperson of the committee, if any, shall have second or casting vote.
109. Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the

shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.

110. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established provided that every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.
111. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
112. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
113. Minutes of each meeting of the Board shall be circulated to all Directors.

## **XXII. POWERS OF DIRECTORS**

114. The business of the Company shall be vested in the Board of Directors and the Board shall be responsible for the overall direction and management of the Company. Subject to the provisions of the Act, the Board shall have the right to delegate any of their powers to such committee of Directors, Managing Director, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.
115. Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
116. The Board of Directors shall, or shall authorize persons in their behalf, to make necessary filings with Governmental Authorities in accordance with the Act and other applicable Law, as may be required from time to time.

117. The Directors shall have the power to open and close bank accounts and operate the same generally, to sign cheques on behalf of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorize any other person or persons to exercise such powers.
118. Subject to the provisions of Section 188 of the Act, a Director may enter into contract made with the Company and shall not be liable to account for any profit made by him by reason of such contract provided that the precise nature and the interest of the Director in such contract be declared to the Board of Directors before or at the time the same is entered into. The Director shall vote in respect of any contract to arrangement in which he shall be interested. A Director may also hold any office of profit under the Company subject to the compliance of the Act.
119. The Director may in their discretion but subject to the provisions of the Act pay for any property rights or privileges acquired by or for services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other Securities of the Company and such shares may be issued either as wholly paid-up or with such amount credited as paid-up thereon as may be agreed upon.
120. The Directors may appoint any person to accept and hold in trust for the Company any property belonging to the Company or in which the Company is interested or for any other purposes and to execute and do all such acts, deeds and things as may be required in relation to any such trust, and to provide for remuneration to such Trustee.
121. The Directors may distribute by way of bonus amongst the members of staff or employees of the Company share in the profits of the Company or give any of its employees commission on the profits arising out of any particular business or transaction.
122. The Directors may from time to time appoint any person or persons to be the Attorney or Attorneys of the Company, under the Seal of the Company, for such purposes and with such powers and authorities (limited to those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may think fit and revoke any such appointment.

### **XXIII. MANAGING/WHOLE-TIME DIRECTORS AND KEY MANAGERIAL PERSONNEL**

123. Subject to the provisions of the Act, the Board may from time to time appoint one or more Directors to be the Managing Director/ Whole-time Director of the Company on such remuneration and terms and conditions as the Board may think fit, and for a fixed term or without any limitation as to the period for which he is to hold such office and from time to time and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his/her place. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may, from time to time, entrust to and confer upon the Managing Director / Whole-time Director, for the time being, such of the powers exercisable hereunder by the Board, as it may think fit, and may confer such powers, for such time and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such power, either collaterally with or to the exclusion of, and in substitution for any of

the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

124. Subject to the provisions of any contract between him and the Company, the Managing Director/ Whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and shall *ipso facto* and immediately cease to be the Managing Director if he ceases to hold the office of Director for any cause.
125. Subject to the provisions of the Act, the Managing Director/ Whole-time Director shall, in addition to the remuneration payable to him as a Director of the Company, receive such remuneration as may be sanctioned by the Board from time to time and such remuneration may be fixed by way of salary or bonus or commission or participation in profit, or perquisites and benefits or by some or all of these modes.
126. Subject to the provisions of the Act, a chief executive officer, manager, Company Secretary or chief financial officer or any other key managerial personnel not more than one level below the Board and in the whole time employment of the Company and designated as a key managerial personnel may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company Secretary, chief financial officer or any other key managerial personnel so appointed may be removed by means of a resolution of the Board.
127. A Managing Director may be appointed as chief executive officer, manager, or chief financial officer.
128. Any provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and Managing Director, chief executive officer, manager, Company Secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Managing Director, chief executive officer, Manager, Company Secretary or chief financial officer.

#### **XXIV. BORROWING POWERS**

129. (a) The Board of Directors or its Committee, if any, may borrow from time to time, at their discretion, from any person (including the Directors) any sum or sums of money for the purposes of the Company.
- (b) The Board of Directors or its Committee, if any, may, raise or secure the repayment of such monies in such manners and upon such terms and conditions in all respects as they think fit, and in particular by the creation of mortgages, charges, or by issue of debenture stock or the issue of debentures (whether redeemable, perpetual or convertible), bonds or other Securities of the Company secured or charged upon all or any part of the undertaking, property and rights of the Company (both present and future) including its uncalled capital or by giving, accepting or endorsing, on behalf of the Company any promissory notes or bills of exchange.
- (c) Any debentures, debenture stock, bonds, Securities or other instruments issued by the Company for securing the payment of money may be so framed that the monies thereby secured shall be assigned free from any equities between the Company and the person to whom the same may be issued. Any debentures, debenture stock, bonds, or other instruments or Securities may be issued at a premium or otherwise and with any special privileges as to

redemption, appointment of Directors, surrender, drawings, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a Special Resolution and subject to the provisions of the Act.

- (d) If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors may by instrument under the seal authorize the person in whose favor such mortgage or security is executed or any other person in trusts for him to make calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.

#### **XXV. APPOINTMENT OF NOMINEE DIRECTOR**

130. Banks/ financial institutions/ lenders, in the ordinary course of business, investors subject to terms of lending or investment document read according to the provisions of the Act may be given the right to appoint and withdraw their nominee director(s) on the Board of Directors of the Company. The banks/ financial institutions/ lenders/ investors for this purpose shall nominate and /or withdraw their nominee director by way of written communication addressed to the Company.

#### **XXVI. DIRECTOR'S POWER TO FILL CASUAL VACANCIES**

131. Subject to the provisions of Section 152 and 161 of the Act, the Board shall have power at any time to appoint any other person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

#### **XXVII. THE SEAL**

132. If the seal of the Company is specifically required to be affixed on any instrument by applicable law, such seal of the Company shall be affixed to such instrument only by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director or of the secretary or such other person as the Board may appoint for the purpose; and those one director and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

#### **XXVIII. DIVIDENDS AND RESERVES**

133. (a) The Company in a General Meeting may declare Dividends, but no Dividend shall exceed the amount recommended by the Board.
- (b) The Board may from time to time pay to the Members such interim Dividends as may appear to it to be justified basis the profits of the Company.

- (c) No Dividend shall be paid otherwise than out of profits of the Company or any other undistributed profits.
- (d) The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may lawfully determine. The Board may also, without placing the same to reserve, carry forward any profits which they may think it prudent not to divide.
- (e) Subject to the rights of persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the Dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid; but if any share is issued on terms providing that it shall rank for Dividend as from a particular date, such share shall rank for Dividend accordingly. Further, any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to Dividend or to participate in profits.
- (f) The Board may deduct from any Dividend payable to any member all sums of money (if any) immediately payable by it to the Company on account of calls or otherwise in relation to the shares of the Company.
- (g) Any General Meeting declaring a Dividend or bonus may direct payment of such Dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other Company or in any one or more of such ways, and the directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all the parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.
- (h) Any Dividend, interest or other monies payable in cash in respect of any shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder, or, where there are joint holders, to the registered address of that one of the joint holders who is first named on the register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any Dividends, bonuses or other monies payable in respect of the shares held by them as joint holders.
- (i) Notice of any Dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

- (j) No Dividend shall bear interest against the Company.
- (k) A Member can waive/ forgo the right to receive the Dividend to which he is entitled, on some or all the Equity Shares held by him in the Company. However, a Member cannot waive/ forgo the right to receive the Dividend for a part of percentage of Dividend on share(s).
- (l) No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by Law and the Company shall comply with the provisions of Section 123 and 124 of the Act in respect of unclaimed Dividend. Pursuant to section 124, where the Company has declared a Dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days transfer the total amount of Dividend which remains unpaid or unclaimed to an account to be opened by the Company in that behalf in any scheduled bank, to be called the "Unpaid Dividend Account" of the Company.
- (m) Any money transferred to the unpaid Dividend account of the Company in pursuance of sub-clause (a) hereof which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund of the Central Government but a claim to any money not transferred to the Investor Education and Protection Fund may be referred to the Central Government by the person to whom the money is due and shall be dealt with as if such transfer to the Investors Education and Protection Fund had not been made, the order, if any, for payment of the claim being treated as an order for refund of revenue.

#### **XXIX. ACCOUNTS**

- 134. (a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.
- (b) No member (not being a director) shall have any right of inspecting any accounts or books or document of the Company except as conferred by Law or authorised by the Board or by, the Company in a General Meeting.

#### **XXX. CAPITALISATION OF PROFITS**

- 135. The Company in a General Meeting may, upon the recommendation of the Board, resolve:
  - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in Article 184 amongst the Members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.

136. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in these Articles below, either in or towards:
- (a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
  - (b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
  - (c) Partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b) above.
  - (d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.
  - (e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
137. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any; and
  - (b) generally, do all acts and things required to give effect thereto.
138. The Board shall have power to:
- (a) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions; and
  - (b) authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
139. Any agreement made under such authority shall be effective and binding on such Members.

#### **XXXI. WINDING UP**

140. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).



## **XXXII. INDEMNITY**

141. Subject to the provisions of the Act, every Chairperson/ Director, secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own wilful neglect or default respectively.
142. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

## **XXXIII. SECRECY**

143. (a) No Member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or any other person authorised on that behalf by the Director to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade secret process or of any other matter which may relate to the conduct of the business of the Company which in the opinion of Directors, would be inexpedient in the interest of the Company to disclose.
- (b) Every Director, Manager, auditor, treasurer, trustee, member of committee, officer, servant agent, accountant or other persons employed in the business of the Company shall if so required by the Directors, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company, with the customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by Law or by the person to whom such matters relate, except so far as may be necessary in order to comply with any provisions of these presents contained.
- (c) Post listing of the Equity Shares, at the request of any Shareholder, the Company shall provide to such Shareholder: (i) annual reports; (ii) annual, semi-annual, quarterly and other periodic financial statements and reports; (iii) any other interim or extraordinary reports; and (iv) prospectuses, registration statements, offering circulars, offering memoranda and other document relating to any offering of securities by the Company, provided, in each case, that (a) the Company has, prior to providing any Shareholder with such information, made such information available to the public; and (b) the Company is not prohibited under any applicable Law from providing such information to such Shareholder.

## **XXXIV. GENERAL AUTHORITY**

144. Wherever in the Act it has been provided that any Company shall have any right, privilege or authority or that any Company cannot carry out any transaction unless it

is so authorised by its Articles, then and in that case this Article hereby authorizes and empowers this Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any other specific Article in that behalf herein provided.

**XXXV. ALTERATION IN ARTICLES OF ASSOCIATION**

145. The Company may from time to time alter, add to amend or delete any of existing clauses of the Articles of Association of the Company or may add a new clause thereto or adopt a new set of articles in accordance with the provision of the Act.

**XXXVI. ARBITRATION**

146. Whenever any differences or disputes arise between the Company on the one hand and any of the members or their heirs, executors, administrators or assigns interest touching the true intent or construction or touching anything then or thereafter done, executed, committed or suffered in pursuance of these presents or of the statutes or touching any breach, or otherwise relating to the premises or to any affairs of the Company every such difference or dispute shall be referred to the decision of any arbitrator to be appointed by the parties to the dispute or in difference, or if they cannot agree upon a single arbitrator to the decision of two arbitrators, of whom one shall be appointed by each of the parties to the dispute. Such arbitration will be governed by the Laws for the time being in force.

## PART B

### AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

#### BY AND AMONGST:

1. **FABBRICA ITALIANA LAPIS ED AFFINI SPA**, a company incorporated under the laws of Italy and having its registered office at Pero, Via xxv aprile, 5 Italy (hereinafter referred to as "**FILA**", which expression shall be deemed to mean and include its successors and permitted assigns);
2. **WRITEFINE PRODUCTS PRIVATE LIMITED**, a company incorporated under the Companies Act, 1956 and having its registered office J - 19, GIDC, Opp. New Telephone Exchange, Umbergaon - 396171, Gujarat, India (hereinafter referred to as "**WFPL**" or the "**Company**", which expression shall be deemed to mean and include its successors and permitted assigns); and
3. The Persons whose names are set out in **Schedule 1** (hereinafter collectively referred to as the "**Indian Shareholders**", which expression shall, unless contrary to the context or meaning thereof, be deemed to include their respective successors and permitted assigns).

(FILA, the Company and the Indian Shareholders are hereinafter collectively referred to as the "**Parties**" and separately as the "**Party**").

#### WHEREAS:

- A. The Company is engaged in the Business (*as defined hereinafter*) and was promoted by the Indian Shareholders (previously the promoters of the Company).
- B. The Parties hereto had executed (i) a share subscription agreement dated December 16, 2011, wherein FILA initially acquired 18.5% of the Share Capital (*as defined hereinafter*), and (ii) a shareholders agreement dated December 16, 2011 which, among other things, sets out the roles, responsibilities, rights and obligations and their inter-se relationship with respect to the Company (collectively the "**Previous Agreements**"). In terms of the Previous Agreements, FILA had an option to increase its shareholding in the Company.
- C. The Parties hereto have subsequently entered into the SPA and SSA (*both terms as defined hereinafter*) of even date whereby, FILA has subject to the terms and conditions mentioned thereunder agreed to (a) purchase the Sale Shares; and (b) subscribe to the Subscription Shares respectively. Upon completion of the transactions set out in the SPA and SSA, the shareholding of FILA and Indian Shareholders will be 51% : 49% in the Share Capital of the Company.
- D. Taking into consideration the transactions under the Previous Agreements, the SPA and the SSA, the Parties have decided to enter into this Agreement to amend and restate the shareholders agreement dated December 16, 2011, and regulate the terms and conditions of their relationship with respect to the shareholding of the Shareholder Groups (as defined hereinafter) in the Company and the management and governance of the Company.

**IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:**

**1. DEFINITIONS & INTERPRETATION**

**1.1. Definitions**

In addition to the terms defined in the introduction to, recitals of and the text of this Agreement, the SPA and the SSA, whenever used in this Agreement, unless contrary to the meaning or context thereof, the following capitalised words and terms shall have the meanings set forth below:

**“Acceptance Notice”** has the meaning ascribed to such term in Clause 15.2.5;

**“Act”** means the Companies Act, 2013; provided, however, that to the extent any provision of the Companies Act, 2013 is not notified and brought into force, any reference to **“Act”** shall be a reference to the corresponding provision of the Companies Act, 1956;

**“Affected Group”** has the meaning ascribed to such term in Clause 18.3.2;

**“Affected Shareholder”** has the meaning ascribed to such term in Clause 18.3.1;

**“Affiliate”** of a Party means (i) in the case of any Party other than a natural person, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control with such Party; (ii) in the case of any Party that is a natural person, any other Person who is an Identified Relative and Dependant of such Party and any Person who, either directly or indirectly through one or more intermediate Persons Controls, is Controlled by or is under common Control with such Party or an Identified Relative and Dependant of such Party;

**“Alternate Director”** has the meaning ascribed to such term in Clause 7.10;

**“Applicable Law”** means all applicable laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, circulars, press releases, notifications, directives and orders, decrees, judgments or other requirements of any Governmental Authority in any relevant jurisdiction, tribunal, board, court or recognised stock exchange or clarifications or acknowledgements, and if applicable, international treaties and regulations;

**“Annual General Meeting”** has the meaning ascribed to such term in Clause 12.1.1;

**“Authorised Person”** bears the meaning ascribed to it in Clause 2.2;

**“Board”** means the board of directors of the Company for the time being;

**“Board Meeting”** means the meeting of the Board held from time to time in accordance with the provisions of this Agreement and the Act;

**“Board Meeting Adjournment Notice”** has the meaning ascribed to such term in

Clause 7.16(e);

**“Breaching Shareholder Group”** has the meaning ascribed to such term in Clause 18.2.1;

**“Business”** means the business of manufacturing, marketing and distribution and sale of all kinds of wooden pencils, polymer pencils, erasers, sharpeners, direct-fill pens, scales, geometry boxes, mathematical instruments and components, sketch pens and all kinds of marker pens, art material, modeling material and wooden slats, art and craft, brushes, canvas, oil paints, acrylic paints, water solvable paints, artist pencils, glue and adhesives, glue for school, glue for art, industrial glue, art color for kids (paints, wax crayons, oil pastels), writing instruments for kids (such as erasable ball point pens), chalks, foam boards, watercolor wooden highlighters and mechanical lead-holders / pencils;

**“Business Day”** means a day other than Saturday and Sunday on which banks are open for normal banking business in Mumbai, Umbergaon, Gujarat, India and Milan, Italy;

**“Business Plan”** means the annual business plan of the Company as prepared, approved and amended from time to time in accordance with Clause 13 hereof;

**“Change in Control”** in relation to:

- (A) FILA - Mr. Massimo Candela (or through one or more of his Affiliates) ceasing to be the Controlling shareholder of FILA; provided however, a Change in Control of FILA shall not be deemed to have occurred if Mr. Massimo Candela, directly or indirectly (including through an Affiliate), is in a position to appoint a majority of the board of directors of FILA; or
- (B) Indian Shareholders – Mr. Santosh Raveshia ceasing to be the Authorised Person of the Indian Shareholder Group other than for permitted exclusions set out in Clause 2.3;

**“Competing Business”** means any business which is same or similar to the Business;

**“Completion”** bears the meaning ascribed to it under the SPA and the SSA;

**“Completion Date”** bears the meaning ascribed to it in the SPA and the SSA;

**“Confidential Information”** has the meaning ascribed to such term in Clause 24.1;

**“Control”** (including with correlative meaning, the terms **“Controlling”**, **“Controlled by”** and **“under common Control”** with) means the power and ability to appoint a majority of the directors on the board of directors and / or to direct the management and policies of the controlled enterprise through ownership of voting shares of the controlled enterprise or by contract or otherwise;

**“Cool-off Period”** has the meaning ascribed to such term in Clause 17.5.1(ii);

**“Critical Matters”** shall mean the matters listed in **Schedule 4**;

“**Current Equity Value**” means the valuation for 100% of the Share Capital of the Company agreed by the Parties in the context of the investment made by FILA under the Transaction Documents aggregating to Rs. 7,428,562,419 (Rupees seven billion four hundred twenty eight million five hundred sixty two thousand four hundred nineteen) as on the Effective Date;

“**Deadlock**” has the meaning ascribed to such term in Clause 17.1;

“**Deadlock Notice**” has the meaning ascribed to such term in Clause 17.2;

“**Deed of Adherence**” means the deed substantially in the form set forth in **Schedule 2**;

“**Director**” means a duly appointed director (including a director’s alternate) for the time being of the Company;

“**Dispute**” has the meaning ascribed to such term in Clause 26.2.1;

“**EBITDA**” bears the meaning assigned to it in **Schedule 3**;

“**Effective Date**” bears the meaning assigned to in Clause 2.1;

“**Electing Party**” has the meaning ascribed to such term in Clause 22.2;

“**Encumbrance**” means, (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, 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, (ii) any irrevocable proxy for exercising voting rights issued to any third party, irrevocable power of attorney issued to any third party for transferring and/or exercising any rights, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person, other than in pursuance of this Agreement, and (iii) any adverse claim as to title, possession or use, and the term “**Encumber**” shall be construed accordingly;

“**EOD Notice**” has the meaning ascribed to such term in Clause 18.2.3;

“**Equity Shares**” means the equity shares of the Company currently having a par value of Rs. 10/- (Rupees Ten) per equity share in the Share Capital;

“**FILA Call Option**” has the meaning ascribed to such term in Clause 16.3.2;

“**FILA CIC Notice**” has the meaning ascribed to such term in Clause 16.1;

“**FILA Group**” means FILA and any Affiliate of FILA who holds Equity Shares;

“**FILA Lack of Quorum Notice**” has the meaning ascribed to such term in Clause 17.5.3;

**“FILA Nominee Directors”** has the meaning ascribed to such term in Clause 7.2.1;

**“FILA Shares”** shall mean the Sale Shares, Subscription Shares and any other Equity Shares held by FILA and / or its Affiliates, on a Fully Diluted Basis;

**“Financial Year”** means the Company’s fiscal year beginning on April 1 of each calendar year and ending on March 31 of the immediately succeeding calendar year, or such other period as the Board or the Shareholders, as the case may be, determine in accordance with Applicable Law. By way of example Financial Year 2012 shall mean the period starting from April 1, 2011 and ending on March 31 2012;

**“Financing”** has the meaning ascribed to such term in Clause 6.1.1;

**“First Adjourned Board Meeting”** has the meaning ascribed to such term in Clause 7.16 (b);

**“First Adjourned General Meeting”** has the meaning ascribed to such term in Clause 12.3.2;

**“First Refusal Right”** has the meaning ascribed to such term in Clause 15.2.2;

**“Formula”** shall mean the formula determined in accordance with Schedule 6;

**“Fully Diluted Basis”** means that the calculation is to be made assuming that all outstanding convertible securities and stock options (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged;

**“General Meetings”** has the meaning ascribed to such term in Clause 12.1.1;

**“General Meeting Adjournment Notice”** has the meaning ascribed to such term in Clause 12.3.5;

**“Governmental Authority”** means any governmental or statutory authority, government department, agency, commission, board, tribunal or court or other entity authorised to make laws, rules or regulations or pass directions having or purporting to have jurisdiction or any State or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction pursuant to the laws of India;

**“Identified Relative and Dependant”** means (i) Relatives of the Indian Shareholders who are currently employed or may be employed with the Company in the future; and (ii) spouse, mother, father, son and / or daughter (up to the age of 21 years) of the Indian Shareholders;

**“Indian Shareholders CIC Notice”** has the meaning ascribed to such term in Clause 16.3.1;

**“Indian Shareholder Group”** means the Indian Shareholders and any Affiliate of the Indian Shareholders who holds Equity Shares;

**“Indian Shareholders Lack of Quorum Put Notice”** has the meaning ascribed to such term in Clause 17.5.2;

**“Indian Shareholders Nominee Directors”** has the meaning ascribed to such term in Clause 7.2.1;

**“Indian Shareholders Put Option”** has the meaning ascribed to such term in Clause 16.2;

**“Indian Shareholders Put Notice”** has the meaning ascribed to such term in Clause 17.5.1 (ii) (b);

**“Indian Shareholder Shares”** shall mean the Equity Shares held by the Indian Shareholders and / or their Affiliates, on a Fully Diluted Basis;

**“IPO”** has the meaning ascribed to such term in Clause 14.7;

**“Leverage Ratio”** has the meaning ascribed to such term in Clause 6.1.1.;

**“Lock-in Period”** has the meaning ascribed to such term in Clause 15.1.1;

**“MD”** or **“Managing Director”** means the managing director of the Company appointed in accordance with the terms of this Agreement;

**“MD Mediation”** has the meaning ascribed to such term in Clause 17.3;

**“Memorandum and Articles”** in relation to the Company means the memorandum of association and the articles of association of the Company, as amended from time to time;

**“Minimum Notice Requirement”** has the meaning ascribed to such term in Clause 7.16(f);

**“Modified Business Plan”** has the meaning ascribed to such term in Clause 13.3;

**“NFP”** bears the meaning assigned to it in **Schedule 3**;

**“Non-participating Shareholder”** has the meaning ascribed to such term in Clause 6.3.2;

**“Non Subscribing Shareholder”** has the meaning ascribed to such term in Clause 6.3.3;

**“Notifying Shareholder Group”** has the meaning ascribed to such term in Clause 18.2.1;

**“Obligations”** has the meaning ascribed to such term in Clause 26.5.1;

**“Offer Period”** has the meaning ascribed to such term in Clause 15.2.4;

**“Offered Equity Shares”** has the meaning ascribed to such term in Clause 6.3.1;



“**Offered Shares**” has the meaning ascribed to such term in Clause 15.2.3;

“**Offeree**” has the meaning ascribed to such term in Clause 15.2.2;

“**Original Director**” has the meaning ascribed to such term in Clause 7.10;

“**Participating Shareholder**” has the meaning ascribed to such term in Clause 6.3.2;

“**Person**” means any natural person, firm, company, Governmental Authority, joint venture, association, partnership or other entity (whether or not having separate legal personality);

“**Presiding Arbitrator**” has the meaning ascribed to such term in Clause 26.4;

“**Pro Rata Shareholding**” means, with respect to any Shareholder, the proportion that the number of Equity Shares held by such Shareholder bears to the aggregate number of Equity Shares held by all the Shareholders, in each case on a Fully Diluted Basis;

“**Prospective Transferee**” has the meaning ascribed to such term in Clause 15.2.2;

“**Related Party**” means, (i) any Shareholder of the Company as on the Effective Date, (ii) any director of the Company or any company in which any Director is a director or shareholder or any partnership firm or a proprietary concern in which the Director is a partner or proprietor as the case may be, (iii) any other Affiliate of the Company, (iv) any Affiliate of a Shareholder of the Company set out in point (i) above, (v) Persons Controlled by Relatives;

“**Relative**” of a natural Person shall have the meaning set forth in Section 2 (77) of the Act;

“**Representatives**” has the meaning ascribed to such term in Clause 24.1;

“**Reserved Matters**” shall mean the matters listed in **Schedule 5**;

“**Rules**” has the meaning ascribed to such term in Clause 26.3;

“**Rupees**” and “**Rs.**” means Indian Rupees or the lawful currency of India;

“**Sale Shares**” means 109,442 (one hundred nine thousand four hundred forty two) Equity Shares purchased by FILA under the SPA and in accordance with the terms thereof;

“**Second Adjourned Board Meeting**” has the meaning ascribed to such term in Clause 7.16 (d);

“**Second Adjourned General Meeting**” has the meaning ascribed to such term in Clause 12.3.4;

“**Second Unresolved Deadlock Call Option Exercise Period**” has the meaning ascribed to such term in Clause 17.5.1(ii)(a);

**“Share Capital”** means the issued and paid up equity share capital of the Company, on a Fully Diluted Basis;

**“Shareholder”** means any Person who holds Equity Shares;

**“Shareholder Group”** means the Indian Shareholder Group or the FILA Group, as the case may be, and **“Shareholder Groups”** means the Indian Shareholder Group and the FILA Group;

**“Shareholder Liquidation Event”** has the meaning ascribed to such term in Clause 18.3.1;

**“Shareholder Minimum Notice Requirement”** has the meaning ascribed to such term in Clause 12.3.6;

**“SPA”** means the share purchase agreement of even date, executed between the Company, FILA and the Indian Shareholders pursuant to which FILA has agreed to purchase the Sale Shares from the Indian Shareholders, in accordance with the terms thereof;

**“SSA”** means the share subscription agreement of even date, executed between the Company, FILA and the Indian Shareholders pursuant to which the Company has agreed to issue and allot the Subscription Shares to FILA;

**“Subscribing Shareholder”** has the meaning ascribed to such term in Clause 6.3.3;

**“Subscription Shares”** means 14,266 (fourteen thousand two hundred sixty six) Equity Shares issued and allotted to FILA under the SSA and in accordance with the terms thereof;

**“Subsidiary(ies)”** bears the meaning ascribed to the term in the Act;

**“Tag Acceptance Notice”** has the meaning ascribed to such term in Clause 15.3.3;

**“Tag-Along Consideration”** has the meaning ascribed to such 15.3.1;

**“Tag-Along Notice”** has the meaning ascribed to such term in Clause 15.3.1;

**“Tag-Along Right”** has the meaning ascribed to such term in Clause 15.3.2;

**“Tag-Along Shares”** has the meaning ascribed to such term in Clause 15.3.3;

**“Tag Transferee”** has the meaning ascribed to such term in Clause 15.3.1;

**“Target”** has the meaning ascribed to such term in Clause 21.3;

**“Term of the Agreement”** has the meaning ascribed to such term in Clause 2.1;

**“Termination Call Option”** has the meaning ascribed to such term in Clause 18.2.2;

**“Termination Options”** has the meaning ascribed to such term in Clause 18.2.2;

**“Termination Put Option”** has the meaning ascribed to such term in Clause 18.2.2;

**“Territory”** means India;

**“Transaction Documents”** means this Agreement, the SPA, the SSA and such other documents and agreements as have been executed amongst the Parties and/or may be required for the consummation of the transaction as set out in the abovementioned agreements.

**“Transfer”** means to sell, gift, give, assign, transfer, transfer of any interest in trust, mortgage, alienate, hypothecate, pledge, Encumber, grant a security interest in, amalgamate, merge or suffer to exist (whether by operation of Applicable Law or otherwise) any Encumbrance on, any Equity Shares or any right, title or interest therein or otherwise dispose of in any manner whatsoever, voluntarily or involuntarily including, without limitation, any attachment or assignment for the benefit of creditors against the Company or appointment of a custodian, liquidator or receiver of any of its properties, business or undertaking, but shall not include transfer by way of testamentary or intestate succession;

**“Transfer Equity Shares”** has the meaning ascribed to such term in Clause 15.3.1;

**“Transfer Notice”** has the meaning ascribed to such term in Clause 15.2.3;

**“Transferring Shareholder”** has the meaning ascribed to such term in Clause 15.2.2;

**“Trigger Event”** has the meaning ascribed to such term in Clause 18.2.1;

**“Unresolved Deadlock”** has the meaning ascribed to such term in Clause 17.4; and

**“Unresolved Deadlock Call Option”** has the meaning ascribed to such term in Clause 17.5.1(i);

**“Unresolved Deadlock Call Option Exercise Period”** has the meaning ascribed to such term in Clause 17.5.1(i);

**“Unresolved Deadlock Call Option Notice”** has the meaning ascribed to such term in Clause 17.5.1(i);

**“Winding Up Events”** has the meaning ascribed to such term in Clause 18.1.1;

## 1.2. Interpretation

In this Agreement:

1.2.1. any reference to any statute or statutory provision shall include:

- (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);

(ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before, on or after the date of this Agreement) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Agreement as applicable, and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced;

- 1.2.2. any reference to the singular shall include the plural and vice-versa;
- 1.2.3. any references to the masculine, the feminine and the neuter shall include each other;
- 1.2.4. any references to a “company” shall include a body corporate;
- 1.2.5. any reference to a document “in the agreed form” is to the form of the relevant document agreed between the Parties and for the purpose of identification initialed by each of them or on their behalf (in each case with such amendments as may be agreed by or on behalf of the Parties);
- 1.2.6. the schedules and/or annexures form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include any schedules and/or annexures to it. Any references to clauses, sections, schedules and/or annexures are to clauses, sections, of and schedules /annexures to this Agreement. Any references to parts or paragraphs are, unless otherwise stated include, references to parts or paragraphs of the schedule/annexure in which the reference appears;
- 1.2.7. references to this Agreement or any other document shall be construed as references to this Agreement or that other document as amended, varied, novated, supplemented or replaced from time to time;
- 1.2.8. the expression “this Clause” shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (not merely the sub-Clause, paragraph or other provision) in which the expression occurs;
- 1.2.9. for the purposes of this Agreement, the Indian Shareholders and/or their Affiliates holding Equity Shares in the Company shall be treated as one block of Shareholders and FILA and/or its Affiliates holding Equity Shares as another block of Shareholder, and the Equity Shares held by the Indian Shareholders and/or their Affiliates shall be treated as the Indian Shareholder Shares, and the Equity Shares held by FILA and/or their Affiliates shall be treated as FILA Shares;
- 1.2.10. each of the representations and warranties provided in this Agreement is independent of the other representations and warranties in this Agreement

and unless the contrary is expressly stated, no Clause in this Agreement limits the extent or application of another Clause;

- 1.2.11. any reference to books, files, records or other information or any of them means books, files, records or other information or any of them in any form or in whatever medium held including paper, electronically stored data, magnetic media, film and microfilm;
- 1.2.12. headings to clauses, parts and paragraphs of the Agreement and schedules/annexures are for convenience only and do not affect the interpretation of this Agreement;
- 1.2.13. in determination of any period of days for the occurrence of an event or the performance of any act or thing shall be deemed to be exclusive of the day on which the event happens or the act or thing is done and if the last day of the period is not a Business Day, then the period shall include the next following Business Day;
- 1.2.14. a reference to a specific time for the performance of an obligation is a reference to that time in the country, province, state, country or other place where that obligation is to be performed;
- 1.2.15. "in writing" includes any communication made by letter or e-mail or fax;
- 1.2.16. the words "include", "including" and "in particular" shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
- 1.2.17. Time is of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence.
- 1.2.18. references to a Person's representatives shall be to its officers, employees, legal or other professional advisers, sub-contractors, agents, attorneys and other duly authorised representatives;
- 1.2.19. where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words; and
- 1.2.20. references to knowledge, information, belief or awareness of any Person shall be deemed to include such knowledge, information, belief or awareness such Person would have if such Person has made due and careful enquiries.

## 2. TERM OF THIS AGREEMENT AND POWER OF ATTORNEY

- 2.1. This Agreement shall be effective, and be binding on the Parties from the date of Completion as contemplated under the SPA and the SSA ("**Effective Date**") and shall continue to be valid and in full force and effect until this Agreement is terminated in accordance with the terms hereof ("**Term of the Agreement**"). Notwithstanding anything contained herein, this Agreement shall terminate forthwith in the event of the termination of the SPA and / or the SSA prior to Completion as contemplated under the SPA and /or the SSA, as the case may be, and the Previous Agreements shall continue to be in full force and effect. The Parties also agree that in consideration of the Indian Shareholders selling the Sale Shares and agreeing to the various covenants herein set forth, FILA and the Indian Shareholders shall have the rights set forth in this Agreement. On and from the Effective Date, the Previous Agreements shall cease to have effect and shall stand amended and restated by this Agreement. Provided that the accrued rights of the Parties to the Previous Agreements shall survive.
- 2.2. Mr. Santosh Raveshia (being a Shareholder) ("**Authorised Person**") is hereby irrevocably appointed as agent and attorney-in-fact for each and every member of the Indian Shareholder Group and, for and on behalf of each and every member of the Indian Shareholder Group. The Authorised Person is authorised to agree and execute any amendments to the provisions of this Agreement, give and receive notices and communications, agree to negotiate, accord consent to any matter requiring consent of the Indian Shareholders under this Agreement, enter into settlements and compromises, and comply with orders of courts and awards of arbitrators with respect to this Agreement and take all actions necessary, expedient or appropriate in his judgement to achieve the foregoing. The Authorised Person shall, (a) act for and on behalf of each member of the Indian Shareholder Group under this Agreement in respect of any right, action or waiver to be exercised by any member of the Indian Shareholder Group (including the nomination, replacement or removal of the Directors); and (b) be responsible for causing each of the members of the Indian Shareholder Group to perform its/their obligations, covenants and undertakings hereunder. It is hereby agreed and acknowledged by the Parties that in relation to the Critical Matters and / or the Reserved Matters, consent/approval of the Authorised Person, as set out in Clause 7.15 for Board or General Meetings shall be deemed to mean the consent/approval on behalf of the Indian Shareholder Group.
- 2.3. In the event Mr. Santosh Raveshia is unable to perform his duties / obligations as the Authorised Person due to health, accident or other unforeseeable/natural reasons, the Indian Shareholder Group shall be entitled to nominate another individual within the Indian Shareholder Group to act as the Authorised Person by irrevocably appointing such an individual as agent and attorney-in-fact (by execution of appropriate documentation in accordance with Applicable Law and provide necessary proof to the FILA Group) for each and every member of the Indian Shareholder Group. The provisions of this Agreement shall, *mutatis mutandis*, apply to the individual so appointed by the Indian Shareholder Group as the Authorised Person.
- 2.4. Without prejudice to the other provisions of this Agreement, in the event any Person(s) (other than the Shareholder Groups), becomes a Shareholder (including by way of a Transfer or subscription of Equity Shares) along with the Shareholder Groups, this Agreement shall be amended immediately prior to such Person(s) becoming a Shareholder. Provided however that such amendments shall only become effective

immediately upon such Person(s) becoming a Shareholder and the Memorandum and Articles shall be simultaneously amended to reflect the provisions of such amendments.

### 3. CORPORATE STRUCTURE

#### 3.1. Capital Structure

As of the Completion Date (upon occurrence of Completion), the capital structure of the Company shall be as follows:

- (i) Authorised Share Capital: 500,000 (Five Hundred Thousand) Equity Shares, aggregating to Rs. 5,000,000 (Rupees Five Million);
- (ii) Issued and paid-up Share Capital: 358,252 (Three Hundred Fifty Eight Thousand Two Hundred Fifty Two) Equity Shares, aggregating to Rs. 3,582,520 (Three Million Five Hundred Eighty Two Thousand Five Hundred Twenty)

#### 3.2. Shareholding

As of the Completion Date (upon occurrence of the Completion), the Share Capital shall be held as follows:

Shareholder	Shareholding (%)
Indian Shareholders and/or their Affiliates	49%
FILA and/or its Affiliates	51%
<b>Total</b>	<b>100%</b>

### 4. PURPOSES OF THE COMPANY

4.1. The Parties acknowledge that, at the Completion Date, FILA holds 51% of the Share Capital of the Company.

4.2. The Company will carry on the Business for the following purposes:

- 4.2.1. expanding the presence of the Company into the Indian market, which is considered one of the most future growing market for the Business;
- 4.2.2. boosting the growth of the Company by focusing primarily on the manufacture and sale of the following, in the following order of priority: (i) the Company's own brands; (ii) FILA's own brands; and (iii) private labels and also by enlarging the Business to encompass the manufacture and sale of the widest possible range of products for the Business;
- 4.2.3. deliver to consumers, products with the best quality/cost ratio in relation to the market competition;

- 4.2.4. enhancing FILA's production capacity to support its international growth (after satisfying the needs of Indian market);
  - 4.2.5. developing and managing (through FILA and the Indian Shareholders), a commercial strategy in the Indian market based on (i) FILA's historical approach in its core-business that is considered a key pillar for future sustainable and profitable growth of DOMS brand; and (ii) the experience of the Indian Shareholders in the Indian market.
- 4.3. In order to achieve the purposes of the Company:
- 4.3.1. FILA and the Indian Shareholders shall bring their know-how in the Business in a manner mutually agreed to between FILA and the Indian Shareholders;
  - 4.3.2. The Company will make best efforts to apply the commercial strategy developed jointly by FILA and the Indian Shareholders for India and will adopt the same to the Indian market;
  - 4.3.3. The Company will adopt a truly balanced price policy among different distributors and among different distribution channels;
  - 4.3.4. School-supplies made through wholesalers and/or catalogues will be considered absolutely strategic to the Business;
  - 4.3.5. The Company will favour "traditional" distribution, if possible, rather than "organised distribution";
  - 4.3.6. The Company will apply high standards on personnel and other management, necessary to pass the audit of FILA's international customers.
- 4.4. Outside India, the Company will in accordance with its pricing policy supply (i) FILA's subsidiaries around the world; and (ii) subject to the provisions of Clause 9.1.2, be permitted to sell, without FILA's consent, products which are not competing with the products of FILA in countries where FILA has a branch office (or a subsidiary).
- 4.5. Notwithstanding anything contained herein, commercial strategy, prices, discounts will always be discussed and agreed between (i) the MD of the Company, in the interest of the Company; (ii) the Authorised Person; and (iii) Massimo Candela (main promoter of FILA) or such other representative as appointed by FILA from time to time, on behalf of FILA. Provided however, if there is a Change in Control of FILA, then the Parties agree that FILA shall have the right to propose the names at least 5 (five) candidates from FILA or any of its Affiliates for the appointment of a new commercial strategy manager to the Board, and the Authorised Person shall accordingly appoint one of the candidates, as above, as the commercial strategy manager.

## 5. **USE OF PROCEEDS**

- 5.1. The Parties hereby agree and undertake that the amount received by the Company towards subscription of the Subscription Shares shall be utilized for such purposes as may be agreed amongst the Shareholder Groups.



5.2. The Parties further undertake that the amount received by the Company towards subscription of the Subscription Shares shall not be utilized by the Company for any speculative activities including investment in the stock market.

6. **FUTURE FUNDING AND FURTHER ISSUE OF SHARES AND PREEMPTIVE RIGHTS**

6.1. Financing Policy

6.1.1. After the Completion Date, the Business (including the acquisition of any project) shall be financed on a case-by-case basis, in the manner decided by the Board ("**Financing**"), provided that the leverage ratio of the Company, defined as average last 12 months NFP / last approved EBITDA ("**Leverage Ratio**"), shall not exceed 3.0, and the loans advanced by the Shareholder Groups to the Company shall also be taken into account for the purpose of calculating the Leverage Ratio.

6.1.2. The Shareholder Groups agree and undertake that the Financing shall be applied by the Company solely for the purpose of the Business and the projects undertaken by the Company at all times in accordance with the Business Plan or for such other purposes as may be mutually agreed between the Shareholders.

6.1.3. In the event of further Financing of the Company, the Parties agree that:

- a) the Company will take best efforts to structure the Financing in a manner such that no guarantees or indemnities are required to be provided by the Company or any of the Parties;
- b) any assurance if required to be given to a third party should be by way of comfort letter rather than by guarantee or indemnity of the Company; and
- c) if a third party facility cannot be secured upon reasonable terms without guarantees or indemnities:
  - (i) then the same will first be given by the Company;
  - (ii) subject to Clause 6.1.4, if however the guarantees or indemnities are required to be given by the Shareholders then each Shareholder shall use its best endeavours to give such a guarantee and indemnity and the same shall to the extent possible and subject to Applicable Law be given severally by the Indian Shareholder Group and the FILA Group in accordance with their Pro Rata Shareholding; and
  - (iii) if any guarantee or indemnity is given jointly by the Shareholders then each Shareholder must, subject to Applicable Law, cross-indemnify the other(s) Shareholder(s) so that the maximum liability of each Shareholder as between themselves does not exceed their Pro Rata Shareholding.

6.1.4. The Parties agree and acknowledge that prior to the Effective Date, the Indian Shareholders (in their capacity as the majority shareholders) have furnished personal guarantees to banks/financial institutions and, in case banks / financial institutions request / insist that fresh guarantees be furnished, then the provisions of Clause 6.1.3 (c) shall be applicable after the Effective Date.

6.2. Further Issue

6.2.1. Subject to the other terms and conditions of this Agreement, the Board may issue further Equity Shares (or securities convertible into Equity Shares) from time to time to the Shareholder Groups in their Pro Rata Shareholding (i.e. on a 'rights basis') and on such terms as may be determined by the Board.

6.2.2. The Board shall determine the amount of additional capital and time frame for infusion of such additional capital based on the Business Plan.

6.2.3. The Shareholders shall and shall ensure that their respective nominee Directors always vote in favour of any increase in Share Capital necessary for the purpose of not being in default with respect to financial covenants agreed with lenders and / or creditors of the Company and / or the provisions of Applicable Law.

6.3. Pre-emptive Rights

6.3.1. Subject to Clause 6.2 above, in the event the Company issues additional Equity Shares ("**Offered Equity Shares**"), each Shareholder Group shall, either by themselves or through any of its/their Affiliates, have the pre-emptive right, but not an obligation, to subscribe to the Offered Equity Shares in its Pro Rata Shareholding. It is clarified for the avoidance of doubt that in the event an Affiliate of any member of the relevant Shareholder Group subscribes to such member's respective Pro Rata Shareholding entitlement of the Offered Equity Shares, such subscription shall be subject to such Affiliate executing a Deed of Adherence.

6.3.2. Subject to Clause 6.3.3 below, if a Shareholder Group (each a "**Non-participating Shareholder**") is unable to, or does not, for any reason whatsoever, subscribe to its respective entitlement of the Offered Equity Shares, such Non-participating Shareholder shall, by issue of a written notice to the Company and the Participating Shareholder permit the other Shareholder Group (the "**Participating Shareholder**") to subscribe to the unsubscribed Offered Equity Shares in such proportion as it deems fit.

6.3.3. For the purposes of Clause 6.3 and subject to Clause 6.3.2, it is clarified that in the event any of the members of a Shareholder Group (either by themselves, or through any of its/their Affiliates) do not subscribe to their Pro Rata Shareholding entitlement of the Offered Equity Shares ("**Non Subscribing Shareholder(s)**"), any other member of the same Shareholder Group or its Affiliate ("**Subscribing Shareholder**") shall have the right to subscribe to any or all the Offered Equity Shares of the Non Subscribing Shareholder in such proportion as it deems fit. In such situation, the Non

Subscribing Shareholders shareholding will stand diluted in the Company and shall amongst others be subject to a reduction in the right to appoint Directors as set out in Clause 7.2.1.

- 6.3.4. Any time period stipulated in this Clause 6 shall be extended by such further period as is necessary for a Shareholder (i) to obtain any approvals from any Governmental Authority pursuant to Applicable Law to give effect to the provisions of this Clause 6, and (ii) to comply with any conditions regarding such approvals. The relevant Shareholder Group requiring such approvals shall exercise its best endeavours to obtain any such approvals in a timely manner and fulfill/satisfy any such conditions relating thereto, without undue delay.

## 7. **BOARD OF DIRECTORS OF THE COMPANY**

### 7.1. Authority of the Board

- 7.1.1. Subject to the provisions of this Agreement, the Act and any other Applicable Law, the Board shall be responsible for and shall be the absolute authority for the superintendence, direction, control and day-to-day management of the Company.
- 7.1.2. The MD shall report to the Board and function on the basis of powers and responsibilities of the management of the Company entrusted by the Board in accordance with the provisions of the Act.
- 7.1.3. The approval of the Shareholders would be obtained only on such matters as may be required under the Act and/or pursuant to this Agreement.
- 7.1.4. It is clarified that where no consensus is arrived at a Board Meeting (including First Adjourned Board Meeting and Second Adjourned Board Meeting) with respect to any resolution (such resolution not relating to any matter set out in **Schedule 5**), then such a matter shall be referred to the Shareholders for their decision.

### 7.2. Number and Composition

The maximum number of Directors on the Board shall be 8 (eight), including the Chairman constituted as follows:

- 7.2.1. From the Effective Date, the right of the FILA Group to nominate its Directors on the Board ("**FILA Nominee Directors**") and the right of the Indian Shareholder Group to nominate its/their Directors on the Board ("**Indian Shareholders Nominee Directors**") shall be in accordance with the following shareholding thresholds calculated on a Fully Diluted Basis in the Share Capital of the Company:

<b>FILA Group Shareholding on a Fully Diluted Basis</b>	<b>FILA Nominee Directors</b>	<b>Indian Shareholder Group Shareholding on a Fully Diluted Basis</b>	<b>Indian Shareholders Nominee Directors</b>
Greater than or equal to 50% but less than 65%	4	Less than or equal to 50% but greater than 35%.	4
Greater than or equal to 65% but less than 75%.	4	Less than or equal to 35% but greater than 25%	3
Greater than or equal to 75% but less than 98%.	4	Less than or equal to 25% but greater than 2%	2
Greater than or equal to 98%.	6	Less than or equal to 2%.	0

The shareholding thresholds as set out above for the Indian Shareholder Group shall apply mutatis mutandis in the event the shareholding of the FILA Group falls below 49% of the Share Capital, on a Fully Diluted Basis and *vice versa*.

7.2.2. Each Shareholder shall exercise its votes in relation to all the Equity Shares held by it at any General Meeting called for the purpose of filling the positions on the Board or in any written consent of Shareholders executed for such purpose, and shall take all other actions necessary to ensure the election to the Board of the nominees of FILA and the Indian Shareholders.

7.3. Qualification

The Directors shall not be required to hold any qualification Equity Shares.

7.4. Term of Office

The Directors shall not be liable to retire by rotation.

7.5. Casual Vacancy

In the event of a casual vacancy arising on account of the resignation of a Director or the office of the Director becoming vacant for any reason, the Shareholder Group which has nominated such Director shall be entitled to designate another person to fill the vacancy.

7.6. Committees

7.6.1. The Board may organise additional committees of the Board consisting of such member(s) of the Board, to the extent permitted under Applicable Law or required thereunder. Committees shall include, but not be limited to, the sales and marketing committee and operations committee.

7.6.2. Subject to Applicable Law, the composition of every committee of the Board shall include the FILA Nominee Directors and the Indian Shareholders Nominee Directors in the same ratio as present on the Board.

7.6.3. The provisions of Clause 7.11, 7.12, 7.13, 7.14, 7.15, 7.16, 7.17 and 7.18 shall apply to the meetings of every committee of the Board *mutatis mutandis*.

7.7. Removal/Resignation of Directors

Each Shareholder Group may require the removal of its nominee Director(s) at any time and shall be entitled to nominate another representative as a Director in place of the Director so removed, and each Shareholder Group shall exercise its rights in such manner so as to cause the appointment of the representative of the other Shareholder Group as a Director as aforesaid. In the event of the resignation or retirement of a Director nominated by any Shareholder Group, such Shareholder Group shall be entitled to nominate another representative as Director in place of such Director and the other Shareholder Group shall exercise its votes and rights in such manner so as to cause the appointment of such representative nominated as aforesaid.

7.8. Directors' Access

Each Director shall be entitled to examine the books, accounts and records of the Company and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business affairs and financial position of the Company as any Director may require. A Director nominated by a Shareholder may provide such information to the Shareholder that nominated him.

7.9. Chairman of the Board and MD

7.9.1. Subject to the provisions of Clause 7.9.2, the MD of the Company shall be a nominee of the Indian Shareholder Group. The Chairman of the Board shall be any person nominated from amongst the FILA Nominee Directors.

7.9.2. As on the Effective Date, the Parties agree and acknowledge that Mr. Santosh Raveshia is the MD of the Company and a nominee of the Indian Shareholder Group. In the event Mr. Santosh Raveshia ceases for any reason to hold the position of MD of the Company (including but not limited to health reasons or non-performance below the expected levels), the Indian Shareholder Group shall have the right to appoint a new MD. In the event that the new MD so appointed by the Indian Shareholders is non-performing to the expected levels, then in that event the MD will be nominated by FILA and the Indian Shareholders will have the right to nominate the Chairman.

7.9.3. The Chairman shall not have a second and casting vote. In addition to the duties under the Act the Chairman shall be entitled to chair all meetings of the Board and all General Meetings (defined hereinafter). In the absence of the Chairman at a Board or General Meeting, the Board shall nominate a Director who shall act as the Chairman of the said Board Meetings and/or General Meetings.

7.10. Alternate Director

The Board may appoint an alternate director (an “**Alternate Director**”) who is recommended for such appointment by a Director (an “**Original Director**”) to act for him during his absence for a period of not less than 3 (three) months from India in which the Board Meetings are ordinarily held. An Alternate Director appointed under this Clause 7.10 shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is terminated before he so returns to India, any provisions in the Act for the automatic reappointment of any retiring Director, in default of another appointment, shall apply to the Original Director and not to the Alternate Director. The acts of the Alternate Director acting for the Original Director will be deemed to be the acts of the Original Director. Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the relevant registrar of companies. The Alternate Director shall be entitled to receive notice of a meeting of the Board or committee thereof, along with all relevant papers in connection therewith in terms of Clause 7.13 hereof and to attend and vote thereat in place of the Original Director and generally to perform all functions of the Original Director in his absence.

7.11. Resolution by Circulation

Subject to Clause 7.15 below, no resolution shall be deemed to have been duly passed by the Board or a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all Directors or to all members of such committee, as the case may be, at their usual address, and has been approved by a majority of such of them as are entitled to vote on the resolution.

7.12. Board Meetings; Frequency, Location and Language

- (a) Subject to the provisions of the Act, the Board shall meet at least once every calendar quarter and there shall be at least 4 (four) Board Meetings in any calendar year at such location as may be mutually agreed to between FILA and the Indian Shareholders, provided that a time period of more than 120 (one hundred twenty) days shall not lapse between 2 (two) consecutive Board meetings.
- (b) English shall be the official and working language for the meetings of the Board and therefore, minutes of the Board Meeting will also be in English.

7.13. Notice

- (a) A Board Meeting may be called by any 2 (two) Directors by giving notice in writing to the Company and / or the company secretary specifying the date, time and agenda for such Board Meeting.
- (b) The Company shall upon receipt of such notice give a copy of such notice to all Directors of such Board Meeting, accompanied by a written agenda specifying the business of such Board Meeting and copies of all papers relevant for such Board Meeting. The Company shall ensure that sufficient information is included with such notice to the Directors to enable each

Director to make a decision on the issue in question at such meeting. Not less than 7 days' prior written notice shall be given to each Director (including the FILA Nominee Directors and the Indian Shareholders Nominee Directors) of any Board Meeting, accompanied by the agenda for the Board Meeting, unless 1 (one) FILA Nominee Director and 1 (one) Indian Shareholders Nominee Director have given written approval for a meeting called at a shorter notice to transact urgent business. Provided that in the case of a Board Meeting convened for the purpose of approval of the audited statutory accounts, it shall be sufficient compliance if copies of the same are delivered to the Directors 7 (seven) days before such Board Meeting. The quorum for the Board Meeting shall be in accordance with Clause 7.16 herein below.

7.14. Electronic Participation

Subject to Clause 7.15 below, the Board may conduct and the Directors may participate in Board Meetings and meetings of committees of the Board by video conferencing or other audio visual means or any other means of contemporaneous communication as prescribed under the Act and/or by the Ministry of Corporate Affairs from time to time.

7.15. Reserved Matters/ Critical Matters

- (a) Subject to Applicable Law and notwithstanding anything contained in this Agreement, none of the Reserved Matters and / or Critical Matters shall be taken up, decided, acted upon and / or implemented by the Company, nor any of the Reserved Matters and / or Critical Matters shall be placed for a vote thereon at a General Meeting of the Company; nor any decision shall be taken by the Board in relation to Reserved Matters and / or Critical Matters without: (i) the affirmative vote of each of the FILA Group and Indian Shareholder Group (acting through the Authorised Person in terms of Clause 2.2) in case of a General Meeting, or at the First Adjourned General Meeting or at the Second Adjourned General Meeting; or (b) without the affirmative vote of at least 1 (one) FILA Nominee Director and Mr. Santosh Raveshia (as the Authorised Person in terms of Clause 2.2 and in his capacity as Indian Shareholders' Nominee Director) in the case of a Board Meeting or at the First Adjourned Board Meeting or at the Second Adjourned Board Meeting. Any decision regarding the Reserved Matters and / or Critical Matters shall be referred to the Board or the Shareholders, as the case may be, and no Shareholder, Director, officer, Board committee, Board committee member, employee, agent or any of their respective delegates shall take any actions purporting to commit the Company to undertake any actions set out in the Reserved Matters and / or Critical Matters. Provided further, upon the request of any Director for any reason (including if such Director feels that he or she may be subject to a conflict of interest in respect of the Shareholder that had appointed such Director), subject to Applicable Law, such Reserved Matter and / or Critical Matter shall be submitted to the Shareholders for their approval and the provisions of this Clause 7.15(a) shall apply in respect of such Reserved Matter and / or Critical Matter placed before the Shareholders' meeting.

- (b) In connection with the Reserved Matters and / or Critical Matters to be voted on by Mr. Santosh Raveshia on behalf of the Indian Shareholders and as the Authorised Person at a General Meeting or Board Meeting (as the case maybe), unless Mr. Santosh Raveshia waives his approval in respect of the Reserved Matter(s) and / or Critical Matter(s): (A) the prior written consent of Mr. Santosh Raveshia would be required, in case he is unable to attend the Board or General Meeting; or (B) in case Mr. Santosh Raveshia is present at the Board Meeting or General Meeting, then his affirmative vote would be required at such Board Meeting or General Meeting. The provisions of Clause 7.15(b) shall *mutatis mutandis* apply to 1 (one) FILA Nominee Director for Board Meeting and 1 (one) authorised representative of FILA Group for General Meeting.
- (c) It is clarified for the avoidance of doubt, that if 1 (one) FILA Nominee Director and Mr. Santosh Raveshia have approved a Reserved Matter and / or Critical Matter at a Board meeting, the relevant Shareholder Groups shall not retract and vote against such Reserved Matter and / or Critical Matter at the Shareholders meeting, and shall vote in consonance with the vote previously approved by their nominee at the Board meeting for that particular Reserved Matter and / or Critical Matter (as the case maybe).
- (d) The Parties hereby agree that if no consensus can be arrived at in relation to the Reserved Matters (whether at Board or General Meeting), then the same shall not be construed as a Deadlock (as defined in Clause 17) for the purposes of this Agreement.

7.16. Quorum

- (a) The quorum for a Board Meeting, shall be one third of the total number of Directors or 2 (two) Directors, whichever is higher, provided that the presence of atleast one FILA Nominee Director and the Authorised Person, present and eligible for voting, is required to constitute a valid quorum, and such quorum requirement will need to be satisfied throughout the entire Board Meeting, unless otherwise agreed in writing between FILA and the Indian Shareholders.
- (b) In the absence of a valid quorum at a Board Meeting within 1 (one) hour from the time appointed, the Board Meeting shall be adjourned to the same time and place not earlier than 7 (seven) days but no later than 14 (fourteen) days thereafter as the Board may determine ("**First Adjourned Board Meeting**"), provided that the agenda for the First Adjourned Board Meeting shall be the same as the agenda for the initial Board Meeting.
- (c) The quorum at such First Adjourned Board Meeting shall, notwithstanding anything to the contrary contained herein, but subject however to the requirements of Applicable Laws, be one-third of the total number of Directors or 2 (two) Directors, whichever shall be higher and all business transacted thereat shall be regarded as having been validly transacted.
- (d) In the event a valid quorum in terms of Clause 7.1.6(c) is not present within 1 (one) hour of commencement of the First Adjourned Board Meeting, the First Adjourned Board Meeting shall be adjourned to the same time and place not



earlier than 14 (fourteen) days but no later than 21 (twenty one) days thereafter, as the Board may determine (“**Second Adjourned Board Meeting**”), provided that the agenda for the Second Adjourned Board Meeting shall be the same as the agenda for the initial Board Meeting and the First Adjourned Board Meeting.

- (e) In the event a First Adjourned Board Meeting is adjourned to the Second Adjourned Board Meeting in accordance with Clause 7.15(d), then, the Company shall, immediately after such adjournment, serve on all the Directors (with a copy to FILA and the Indian Shareholders), a written notice intimating all the Directors (with a copy to FILA and the Indian Shareholders) of the adjournment of the First Adjourned Board Meeting to the Second Adjourned Board Meeting (“**Board Meeting Adjournment Notice**”) through email or facsimile. The Board Meeting Adjournment Notice shall state the proposed date of the Second Adjourned Board Meeting and shall re-attach the written agenda circulated for the initial Board Meeting and the First Adjourned Board Meeting together with copies of all relevant papers. At such duly convened Second Adjourned Board Meeting, the Company and/ or its authorised representatives as the case may be present, shall make a statement that a notice in accordance with the provisions of this Clause 7.16(e) was duly served on all the Directors (with a copy to FILA and Indian Shareholders).
- (f) Not less than 14 (fourteen) days’ prior written notice shall be given to all the Directors (with a copy to FILA and the Indian Shareholders) in respect of each Second Adjourned Board Meeting (“**Minimum Notice Requirement**”). The quorum at such Second Adjourned Board Meeting shall, notwithstanding anything to the contrary contained herein, but subject however to: (i) the requirements of Applicable Laws; and (ii) the Minimum Notice Requirement; be one third of the total number of Directors or 2 (two) Directors, whichever shall be higher, and all business transacted thereat shall be regarded as having been validly transacted. Provided however, no decision or action shall be taken in relation to the Reserved Matters in the absence of valid quorum as set out in Clause 7.16(a).

#### 7.17. Voting

Each Director may exercise 1 (one) vote at a Board Meeting. The adoption of any resolution of the Board, whether by circular resolution or otherwise, shall be passed by a simple majority.

#### 7.18. The Shareholder Groups undertake that the Directors nominated by them:

- (i) will not willfully or unreasonably fail to attend a Board Meeting in order to prevent the transaction of business at that Board Meeting;
- (ii) shall be indemnified by the relevant Shareholder Groups to the extent that any of the Shareholders Groups do not participate in or attend any General Meetings (including any adjourned meetings), or do not participate in or attend any Board meetings (including any adjourned meetings) through their respective nominee Directors, or block any resolution (including matters in

relation to the Reserved Matters) and as a consequence of which the Company and/or the Directors suffer or incur any statutory penalty or fines.

- (iii) will exercise their rights so as to ensure that the Company, subject to the terms of this Agreement, carries out the Business Plan in accordance with its terms; and
- (iv) will exercise their rights so as to ensure that the Company complies with the terms of this Agreement.

7.19. Remuneration/Expenses

- (i) The remuneration/sitting fees of the Directors shall be decided by the Shareholder Groups mutually.
- (ii) Prior to each Board Meeting, Parties shall mutually agree on who will bear the expenses of the Board Meeting such as cost of transportation and accommodation of the Directors and what costs will be borne by such Party.

7.20. Director's and Officers' Insurance:

The Company will procure suitable Director's and Officers' insurance for all the Indian Shareholders Nominee Directors and the FILA Nominee Directors.

8. **COMPANY UNDERTAKING**

8.1. The Company hereby undertakes and covenants to FILA and the Indian Shareholders as follows:

- 8.1.1. the Company shall not recognize or register any Transfer of Equity Shares unless effected in accordance with the provisions of this Agreement; and
- 8.1.2. the Company and the Shareholder Groups shall ensure that all agreements and arrangements with a Related Party shall be entered into at arms length basis and in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

9. **MANAGEMENT OF THE COMPANY**

9.1. Management of the Business

- 9.1.1. Subject to this Clause 9, the Parties shall endeavour in their fullest capacity to promote, develop and expand the Business in terms of this Agreement.
- 9.1.2. Export of products outside the Territory by the Company shall be undertaken with the co-operation and guidance of FILA aiming at obtaining synergies provided that (i) the MD of the Company shall inform the chief executive officer of FILA prior to any business developments / export of products envisaged by the Company in any country where FILA has a branch and / or a subsidiary; and (ii) the Company shall not export products identical or

deceptively similar to the products manufactured by FILA outside the Territory.

9.2. Management Compensation

The Board shall decide the salaries of the executives and other officers of the Company. However if such executives and other officers are Related Parties then the resolution on such matter will have to be unanimously approved by the Board.

10. **UNDERTAKINGS**

10.1. Each Party undertakes to the Company that, while they are Shareholders of the Company and for a period of 3 (three) years after ceasing to be a Shareholder, they shall not and shall ensure that no Affiliates shall, either on their own behalf or on behalf of any Person, solicit or endeavour to entice away from the Company, any employee of the Company or distributors of the Company who only distribute products under the 'DOMS' mark.

10.2. The Parties agree and acknowledge that whilst the provisions of this Clause 10 are reasonable in all the circumstances and are not in the nature of restrictions but instead are in furtherance of trade or Business, the Parties agree that if any of the provisions should be held by a court or tribunal of competent standing to be invalid as an unreasonable restraint of trade (but would have been valid if part of the wording had been deleted or the period reduced or the range of activities or geographical area reduced in scope) the provisions of this Clause 10 shall apply with such modifications (which would be deemed to have been made) as are necessary to make them valid and effectively enforceable by a court or tribunal of competent jurisdiction.

11. **DIVIDEND DISTRIBUTION POLICY**

Subject to Applicable Law and/or any contractual obligation and unless otherwise agreed between FILA and the Indian Shareholders in writing, the Board shall (subject to transfer of reserves and depreciation) recommend the amount of dividends to be declared in a particular Financial Year.

12. **SHAREHOLDERS MEETINGS**

12.1. General Meeting of Shareholders

12.1.1. The Company shall hold at least one (1) general meeting of the Shareholders to be called an “**Annual General Meeting**” in each Financial Year. All general meetings of the Shareholders of the Company shall be called “**General Meetings**” (which shall also include the Annual General Meeting). All General Meetings will be held in accordance with the Act, the Memorandum and Articles and this Agreement. The Chairman of the Board shall be the Chairman of the meeting of the Shareholders.

12.1.2. English shall be the official and working language at General Meetings. A simultaneous translation service will be provided at the expense of the Company (if required).

## 12.2. Notice of General Meetings

Prior written notice of at least 21 (twenty one) days for convening the General Meeting shall be given to all the Shareholders of the Company. Subject to compliance under the applicable provisions of the Act, a General Meeting may, however, be called by the Chairman on less than 21 (twenty one) days (but not less than 2 (two) Business Days) prior written notice with the prior written consent of the Shareholder Groups. Every notice shall be accompanied by the agenda setting out the particular business proposed to be transacted at such meeting. Without the prior written unanimous consent of each Shareholder Group, no business shall be transacted at any General Meeting duly convened and held other than that specified in such notice.

## 12.3. Quorum

12.3.1. The quorum for a General Meeting shall be 2 (two) Shareholders. Provided quorum at the General Meeting shall comprise at least 1 (one) duly authorised representative of the FILA Group and the Authorised Person, present at the commencement of such meeting and throughout its proceedings and no business at any General Meeting shall be transacted, unless at least 1 (one) duly authorised representative of FILA and the Authorised Person are present at the commencement of such meeting and throughout its proceedings (unless the concerned Shareholder Group has provided its written consent to the holding of such meeting in the absence of its nominee). It is clarified for avoidance of doubt, that where any decision is referred to the Shareholders in terms of Clause 7.1.4 of this Agreement (not being Critical Matters or Reserved Matters), then the Shareholder present at such meeting shall constitute a quorum for the purposes of approving/passing such resolution and the other Shareholders shall be deemed to have consented to the same.

12.3.2. In the absence of a valid quorum at a General Meeting, duly convened and held, the meeting shall be adjourned to the same time and place in the next week, or to such other date and such other time and place as the Board may determine which date shall not be earlier than 7 (seven) days, or later than 14 (fourteen) days thereafter, subject to compliance with other requirements of the Act as the Chairman may determine with the prior consent of the Shareholder Groups ("**First Adjourned General Meeting**"), provided that the agenda for the First Adjourned General Meeting shall be the same as the agenda for the initial General Meeting.

12.3.3. The quorum at such First Adjourned General Meeting shall, notwithstanding anything to the contrary contained herein, but subject however to the requirements of Applicable Laws, be the Shareholder(s) present, and all business transacted thereat shall be regarded as having been validly transacted.

12.3.4. In the event a valid quorum in terms of Clause 12.3.3 is not present within 1 (one) hour of commencement of the First Adjourned General Meeting, the First Adjourned General Meeting, shall be adjourned to the same time and place not earlier than 14 (fourteen) days but no later than 21 (twenty one) days thereafter as the Chairman may determine ("**Second Adjourned General**

**Meeting**”), provided that the agenda for the Second Adjourned General Meeting shall be the same as the agenda for the initial General Meeting and the First Adjourned General Meeting.

12.3.5. In the event a First Adjourned General Meeting is adjourned to the Second Adjourned General Meeting in accordance with Clause 12.3.4, then, the Company shall, immediately after such adjournment, serve on each of FILA and the Indian Shareholders, a written notice intimating FILA and the Indian Shareholders of the adjournment of the First Adjourned General Meeting to the Second Adjourned General Meeting (“**General Meeting Adjournment Notice**”) through email or facsimile. The General Meeting Adjournment Notice shall state the proposed date of the Second Adjourned General Meeting and shall re-attach the written agenda circulated for the initial General Meeting and the First Adjourned General Meeting together with copies of all relevant papers. At such duly convened Second Adjourned General Meeting, the Company and/ or its authorised representatives, as the case may be present shall make a statement that a notice in accordance with the provisions of Clause 12.3.5 was duly served on all the Shareholders (with a copy to FILA and Indian Shareholders).

12.3.6. Not less than 14 (fourteen) days’ prior written notice shall be given to each of FILA and the Indian Shareholders in respect of each Second Adjourned General Meeting (“**Shareholder Minimum Notice Requirement**”). The Shareholder(s) present in person at such Second Adjourned General Meeting shall, notwithstanding anything to the contrary herein contained, but subject however to: (i) the requirements of the Applicable Laws; and (ii) the Shareholder Minimum Notice Requirement; constitute the quorum and all business transacted thereat shall be regarded as having been validly transacted. Provided however, no decisions shall be taken in relation to Reserved Matters in the absence of valid quorum as set out in Clause 12.3.1.

#### 12.4. Voting

12.4.1. At any General Meeting, the voting shall take place by a poll, and each Shareholder shall exercise 1 (one) vote for every Equity Share held by such Shareholder.

12.4.2. Subject to Clause 7.15 above, the adoption of any resolution of the Shareholders shall require a simple or special majority, as required by Applicable Law.

12.4.3. Provided that if a resolution for any matter is approved by the Board and is required to be placed before the Shareholders for their approval, then the Shareholders will act in the same as manner as the Board with respect to that matter.

12.5. Participation by Electronic Mode

The Shareholders may participate in any General Meeting by video conferencing or other audio visual means or any other means of contemporaneous communication as prescribed by Ministry of Corporate Affairs or as may be prescribed under Applicable Law from time to time.

12.6. Shareholders Undertakings

12.6.1. Subject to Clause 12.5, the Shareholders agree that at any General Meeting duly convened for the purpose of voting on any matter required to be transacted by the Shareholders there at, they shall respectively be present in person or through their duly authorised representatives appointed in accordance with the applicable provisions of the Act for the purpose of complying with the requirements of a valid quorum, and shall vote in respect of all Equity Shares owned and held by them at such General Meeting in accordance with this Agreement.

12.6.2. The Shareholders hereby jointly and severally undertake to ensure:

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

12.7. The Shareholders shall, and shall ensure that their respective nominee Directors always vote in a manner that ensures that the Company does not commit a default of Applicable Law.

13. **BUSINESS PLAN**

13.1. Prior to the start of each calendar year, the Board shall determine the annual budgetary limits (with applicable sub limits within a Financial Year for each semester of each Financial Year), prepare a business plan for a period of 3 (three) consecutive calendar years – January to December (“**Business Plan**”) and shall provide each of the Shareholders with a copy of such proposed Business Plan to be presented for approval and adoption by the Board in accordance with Clause 13.2 below. Such Business Plan shall outline the financing and operating policies of the Company including mission, organizational objectives, strategy, estimates of capital expenditure and working capital, target products, changes to business processes, resource management, risk management and financial policy. In the Business Plan, the management will also detail any proposals for constitution of committees, if any, in terms of Clause 7.6 of

this Agreement and their functions, audit, human resources, code of conduct and corporate governance, reporting requirements and compliances.

- 13.2. The Business Plan shall be submitted to the Shareholders for their review latest by the 2<sup>nd</sup> week of November of the relevant calendar year in which it needs to be presented. The Shareholders shall, if required, update and revise the same for the next three (3) consecutive calendar years – January to December. The Board shall meet no later than 30<sup>th</sup> November of the relevant calendar year in which the Business Plan (or revised Business Plan) needs to be adopted and approved.
- 13.3. Notwithstanding anything contained herein, the Shareholder Groups shall have the right to mutually agree to modify any Business Plan (“**Modified Business Plan**”) and the Modified Business Plan shall be adopted by the Board.

#### 14. **COVENANTS**

##### 14.1. Financial Records

The Company shall allow each Shareholder and its authorised representatives the right during normal business hours to inspect its books and accounting records, to make extracts and copies therefrom, at its own expense, and to have full access to all of the Company’s property and assets including but not limited to the working papers and documents of the statutory auditors of the Company.

##### 14.2. Books and Records

Subject to Clause 14.4, the Company shall keep proper, complete and accurate books of account in Indian Rupees in accordance with Indian generally accepted accounting principles or Indian Accounting Standards. In addition, the Company shall, prepare on an annual and quarterly basis, a reconciliation of the accounts of the Company in accordance with generally accepted accounting principles used to prepare the accounts of FILA and its Affiliates. The Company further undertakes to make such annual reportings to FILA as may be required by FILA for any statutory filings required to be made by FILA or its parent/group companies in the respective jurisdiction of their incorporation and/or listing.

##### 14.3. Reports

14.3.1. The Company shall, within a period of 30 (Thirty) days or such other time period notified by FILA from the end of each calendar year, provide FILA with the audited consolidated, wherever applicable, financial statements of the Company for the respective calendar year in the format prescribed by FILA from time to time.

14.3.2. The Company shall, as part of the reporting requirements, also provide information in relation to local management of IFRS adjustment, profit and loss statements on a quarterly basis, sales, net financial position, and intercompany reconciliation on a monthly basis.

14.3.3. By the first week of November for every calendar year, the Company shall provide FILA (through group CPM) with the annual budget/projections. The

budget shall reflect the monthly, quarterly and annual figures by illustrations and refer to the calendar year (January to December).

14.3.4. The Company shall provide to each Shareholder (i) no later than 31<sup>st</sup> May after the end of each Financial Year, the annual audited consolidated, wherever applicable, financial statements of the Company for such Financial Year, (ii) within 30 (Thirty) days after the end of each quarter, quarterly unaudited consolidated, wherever applicable, financial statements and management accounts of the Company consistent with the annual financial statements for such quarter, (iii) 30 (Thirty) days prior to the commencement of any Financial Year, the annual budget/ projections of the Company; and (iv) such other reports as the Board may determine. The Company shall furnish to each Shareholder Group and their auditors such financial and other information relating to the Business of the Company as any of them may reasonably require.

#### 14.4. Accounts

14.4.1. For the purpose of consolidation of accounts of FILA with the Company, the Company shall provide FILA with financial statements/audited reports of the Company comprising of the following:

(i) Annual Accounts:

- (a) based (i) on 12 months ranging from January to December, and (ii) on full audit scope engagement letter including FILA's auditor instructions as per market standard practices in this kind of engagement.
- (b) un-audited figures to be submitted to FILA (through group CPM) within the second week of January (latest). It is clarified that for the calendar year January-December 2015 year, the agreed deadline for submitting the un-audited figures will be 18<sup>th</sup> January 2016;
- (c) complete audited report to be submitted to FILA by the 7<sup>th</sup> of February every calendar year;

(ii) January-June Accounts:

- (a) un-audited figures to be submitted to FILA (through group CPM) within the second week of July (latest) for every calendar year;
- (b) limited review report to be submitted to FILA by the 21<sup>st</sup> of July every calendar year.

(iii) Quarterly Accounts:

- (a) un-audited figures for the 1st quarter (Jan-Mar) to be submitted to FILA (through group CPM) within the second week of April (latest) for every calendar year;



(b) un-audited figures for the 9 months (Jan-Sep) to be submitted to FILA (through group CPM) within the second week of October (latest) for every calendar year.

(iv) Monthly Accounts: un-audited figures (Sales, NFP and intercompany reconciliation) to be submitted within the first week after the closing of the month.

14.4.2. For the preparation of the financial statements/ accounts as set out above, the Parties agree that the auditors of the Company will perform full audit of the financial statements/accounts, based on FILA's auditor instructions as per market standard practices in this kind of engagement, for the period commencing from January 1 of each calendar year and ending on December 31 of such calendar year, within 31 days from December 31 of the relevant calendar year.

#### 14.5. Intellectual Property Protection

The Company shall take all steps promptly to protect the intellectual property rights it owns or lawfully uses. Such protection, if appropriate, may include, without limitation, the registering of (i) its own trademarks, brand names and copyrights and (ii) any trademarks, brand names and copyrights licensed or assigned to the Company, if so permitted under the respective license or assignment agreement as the case may be. Furthermore, the Company shall immediately notify each Shareholder Group concerned in case it becomes aware of any infringements of intellectual property rights of either of the Shareholder Groups.

#### 14.6. Nominee Director Liability

14.6.1. Except for actions taken pursuant to a Board resolution duly passed under the Previous Agreements, and subject to the provisions of Applicable Laws, the Company and the Indian Shareholders expressly agree that FILA Nominee Director(s) shall not be liable for any default or failure of the Company in complying with the provisions of any Applicable Laws, including but not limited to, defaults under the Act, taxation and labour laws of India, compliance with regulations and guidelines prescribed by the Reserve Bank of India for the period prior to the Completion Date.

14.6.2. Further, the Company undertakes to ensure that the other Directors or suitable persons are nominated as compliance officers, occupiers and/or employers, as the case may be, in order to ensure that to the maximum extent permitted by Applicable Laws, FILA Nominee Directors and Indian Shareholders Nominee Directors do not incur any liability.

#### 14.7. Initial Public Offering

(a) It is the intention of the Parties to have the Equity Shares of the Company listed on the Bombay Stock Exchange Limited / the National Stock Exchange of India Limited in accordance with the Applicable Laws of the Territory ("IPO"). At any time after the Effective Date, the Indian Shareholders shall be permitted to propose an IPO. FILA agrees to vote and provide necessary assistance, if required, only for the process of the IPO (but not pricing or

valuation of the Company) namely, appointment of merchant bankers, preparation of red herring prospectus etc.; provided however, that in the event the pricing of the IPO is equal to or above the Current Equity Value, FILA shall mandatorily vote in favour of the pricing for the IPO as stipulated in Clause 14.7 (b). In the event, FILA does not vote in favour of the IPO process, then such failure shall be deemed to be a material breach of this Agreement.

- (b) Subject to Clause 14.7 (a) above, FILA shall have a veto right to approve the pricing of the IPO in the event it is below the Current Equity Value. In the event, the pricing of the IPO is equal to or above the Current Equity Value, then FILA, along with the Indian Shareholders, shall vote in favour of the pricing for the IPO.
- (c) Once the pricing of the IPO has been approved, the IPO shall be effected in the following order of priority:
  - (i) the issue of new Equity Shares; and
  - (ii) an offer for sale of existing Equity Shares wherein: (x) the Indian Shareholder Group and the FILA Group will offer their shares based on their Pro-Rata Shareholding or (y) such other shareholding percentage as may be mutually agreed between FILA Group and the Indian Shareholder Group.. It is clarified that the willingness of FILA Group is to offer such minimum number of Equity Shares so as to achieve the offer for sale.

## 15. **TRANSFER OF SHARES**

### 15.1. **Lock In Period**

- 15.1.1. The Equity Shares of the Company held by the Shareholders shall be locked in for a period of 3 (three) years from the Completion Date (“**Lock-in Period**”), and no Shareholder shall be entitled to transfer its Equity Shares during the Lock-in Period without the express prior written consent of the other Shareholders, except to the extent otherwise provided in this Agreement.
- 15.1.2. Notwithstanding Clause 15.1.1, it is expressly agreed that during the Lock-in Period, any Shareholder may Transfer any of the Equity Shares held by it in the Company to its Affiliates, *inter se* each other, without following the procedure under Clause 15.2 below. The Transfer of Equity Shares by a Shareholder to its Affiliates shall be subject to such Affiliate executing a Deed of Adherence and executing, if an Indian Shareholder, a power of attorney in favour of the Authorised Person for the purposes set out in Clause 2.2. In the event any Affiliate to whom Equity Shares are transferred ceases to be an Affiliate of the transferring Shareholder then the transferring Shareholder shall immediately purchase the Equity Shares from such Affiliate. If it fails to do so, it shall have committed a material breach and the provisions of Clause 15.3.1 shall apply. Notwithstanding anything stated in this Clause 15.1.2, it is hereby agreed that the rights of FILA and/or its Affiliates as set out in this Agreement shall not be affected in any manner by such *inter-se* Transfer

amongst the Indian Shareholders and/or their Affiliates in accordance with this Agreement.

15.1.3. Notwithstanding Clause 15.1.1, the Parties agree that at any time after the Effective Date, the process for IPO may be initiated in terms of Clause 14.7 (*Initial Public Offering*); provided however that (i) the restrictions on the transfer of Equity Shares as contained in this Agreement shall apply notwithstanding the initiation of the IPO process; and (ii) in the event that the IPO process is below the Current Equity Value, then the Lock-In Period will continue to apply for remainder period.

15.1.4. The Parties agree that the Transfer restrictions in this Agreement and/or in the Memorandum and Articles shall not be capable of being avoided by the holding of Equity Shares indirectly through a company or other entity that can itself be Transferred in order to dispose of the Equity Shares free of such restrictions, i.e., any transaction resulting in a Change in Control of a Shareholder which holds any Equity Shares shall, subject to Clause 16, be deemed to be a proposal to sell the Equity Shares held by the Shareholder in the Company, and the provisions of this Agreement in Clauses 15.2 and 15.3 that apply in respect of a purported Transfer of the Equity Shares shall thereupon apply in respect of the Equity Shares so held. Provided however, that neither the Transfer restrictions in this Agreement nor in the Memorandum and Articles shall apply to any Transfer of the shareholding or ownership of FILA and/or the Indian Shareholders (directly or indirectly), or of the Equity Shares in the Company held by FILA and/or the Indian Shareholders, subject to the transferee in each such instance being an Affiliate of FILA and/or the Indian Shareholders, as the case may be.

## 15.2. Right of First Refusal

15.2.1. After the expiry of the Lock-in Period, either Shareholder Group shall be entitled to sell all (but not less than all) of the Equity Shares of such group in the Company to a third party after complying with this Clause 15.2.

15.2.2. If a member of the Indian Shareholder Group or the FILA Group ("**Transferring Shareholder**") proposes or is deemed pursuant to Clause 15.1.4 to sell any Equity Shares to a third Person ("**Prospective Transferee**"), the FILA Group or the Indian Shareholder Group, as the case may be ("**Offeree**"), shall have a right of first refusal ("**First Refusal Right**") with respect to such sale of Equity Shares as provided in this Clause 15.2.

15.2.3. If the Transferring Shareholder proposes to sell its Equity Shares, the Transferring Shareholder shall first send a notice ("**Transfer Notice**") to the Offeree, which notice shall state, (i) the number of Equity Shares to be sold ("**Offered Shares**"); (ii) the amount of the proposed consideration for the sale; (iii) the other material terms and conditions of the proposed sale; (iv) a confirmation that the Offered Shares are free from any Encumbrances and that the Transferring Shareholder is the beneficial and recorded owner of the Offered Shares; and (v) the name and details of the Prospective Transferee. The total value of the consideration for the proposed sale is referred to herein as the "**Offer Price**".

- 15.2.4. For a period of 30 (thirty) Business Days after receipt of a Transfer Notice (“**Offer Period**”), the Offeree shall have the right, exercisable by the Offeree through the delivery of an Acceptance Notice as provided in Clause 15.2.5, to purchase in aggregate all, but not less than all, of the Offered Shares at a purchase price equal to the Offer Price and upon the other terms and conditions set forth in the Transfer Notice. The Offeree may cause an Affiliate of such Offeree to exercise the Offeree’s right to acquire the Offered Shares pursuant to this Clause 15.2.4.
- 15.2.5. The First Refusal Right of the Offeree under Clause 15.2.2 above shall be exercisable by delivering a notice of exercise (“**Acceptance Notice**”) within the Offer Period to the Transferring Shareholder. The Acceptance Notice shall include (i) a statement of the number of Equity Shares held by the Offeree on a non-diluted basis; and (ii) a statement that the Offeree is willing to acquire all, but not less than all of the Offered Shares at the Offer Price. An Acceptance Notice shall be irrevocable and shall constitute a binding agreement by such Offeree to purchase the Offered Shares.
- 15.2.6. Unless the Offeree(s) elects to purchase all but not less than all of the Offered Shares under and in accordance with this Clause 15.2, the Transferring Shareholder may sell, all but not less than all of the Offered Shares to the Prospective Transferee on the same terms and conditions as set forth in the Transfer Notice, provided, however, that the sale is made within 3 (three) months after the expiry of the Offer Period. If such a sale does not occur within such 3 (three) month period for any reason, the restrictions provided for herein shall again become effective, and no sale of Equity Shares may be made by the Transferring Shareholder thereafter without again making an offer to Offeree(s) in accordance with this Clause 15.2.
- 15.2.7. The closing of any purchase of Offered Shares by the Offeree shall be as mutually determined by the Transferring Shareholder and the Offeree but shall not be later than 3 (three) months after receipt of the Transfer Notice. The said 3 (three) month period shall be extended for an additional period of up to 90 (Ninety) Business Days, if necessary, to obtain any regulatory approvals required for such purchase and payment. Any stamp duty or transfer taxes or fees payable on the sale of any Offered Shares shall be borne and paid by the Offeree. If the Offeree purchasing the Offered Shares does not make payment in full of the Offer Price as above, the entire Offered Shares may be sold by the Transferring Shareholder to the Prospective Transferee.
- 15.2.8. For the purposes of this Clause 15.2, unless the context otherwise requires, all provisions contained in the said Clause relating to Equity Shares of the Company, including issue, Transfer and transmission of Equity Shares and exercise of rights as a holder of shares, shall *mutatis mutandis* apply to any fully or partially convertible security (including debenture or bond) or any warrant, coupon or instrument which may enable the holder to acquire Equity Shares and/or any voting right in the Company.

15.2.9. Notwithstanding anything stated in this Clause 15, no Shareholder Group shall be entitled to Transfer its Equity Shares to a Person engaged in a Competing Business except with the prior written consent of the other Shareholder Group.

15.3. **Tag Along**

15.3.1. Subject to Clauses 15.1 and 15.2 above, if the Transferring Shareholder has agreed to sell the Equity Shares to a third party ("**Tag Transferee**"), the Transferring Shareholder shall immediately send a written notice (the "**Tag-Along Notice**") to the other Shareholder, which notice shall state: (i) the name and address and identity of the proposed Tag Transferee; (ii) the number of Equity Shares proposed to be transferred (the "**Transfer Equity Shares**"); (iii) the amount and form of the proposed consideration and the other terms and conditions of the proposed Transfer; (iv) a representation that no consideration, tangible or intangible, is being provided to the Transferring Shareholder that is not reflected in the price to be paid to the other Shareholder exercising its Tag-Along Rights hereunder; and (v) the number of Equity Shares the Transferring Shareholder then owns. The total value of the consideration for the proposed Transfer is referred to herein as the "**Tag-Along Consideration**".

15.3.2. The other Shareholder shall have the right (the "**Tag-Along Right**") but not the obligation to require the Transferring Shareholder to cause the Tag Transferee, in a Transfer of the Transfer Equity Shares, to purchase from the other Shareholder together with its Affiliates, for consideration equal to the Tag Along Consideration per Equity Share and upon the same terms and conditions as are to be applied to the Transferring Shareholder, all and not less than all the Equity Shares held by the other Shareholder.

15.3.3. Within 7 (Seven) Business Days following the receipt of the Tag-Along Notice, in the event the other Shareholder elects to exercise its Tag-Along Right, it shall deliver a written notice of such election to the Transferring Shareholder ("**Tag Acceptance Notice**") and the number of Equity Shares (which shall be calculated in accordance with Clause 15.3.2) the other Shareholder proposes to Transfer to such Tag Transferee ("**Tag-Along Shares**"). Such Tag Acceptance Notice shall be irrevocable and shall constitute a binding agreement by the other Shareholder to sell the Tag-Along Shares and on the Tag Transferee to acquire the Tag-Along Shares and on the Transferring Shareholder to procure that the Tag Transferee acquires the Tag-Along Shares in terms of this Clause 15.3.

15.3.4. The closing of any purchase of Tag-Along Shares by the Tag Transferee from the other Shareholder shall take place simultaneously with the closing of the purchase of Transfer Equity Shares by the Tag Transferee from the Transferring Shareholder provided that the Transfer Equity Shares cannot be purchased by the Tag Transferee without purchasing the Tag-Along Shares from the other Shareholder. At such closing, the other Shareholder shall deliver duly stamped and executed original share certificates in relation to the Tag-Along Shares to the Tag Transferee. Such Tag-Along Shares shall be free and clear of any Encumbrance (other than those under this Agreement, if

any), and the other Shareholder shall so represent and warrant and shall further represent and warrant that it is the beneficial and legal owner of such Tag-Along Shares. The other Shareholder shall not be required to make any other representations or warranties. Any Tag Transferee purchasing the Tag-Along Shares shall, simultaneously, deliver at such closing (or on such later date or dates as may be provided in the Tag-Along Notice with respect to payment of consideration by the proposed Tag Transferee) payment in full of the Tag-Along Consideration in accordance with the terms set forth in the Tag-Along Notice, provided, however, such payment of the Tag-Along Consideration is not later than the payment of the consideration for the Transfer Equity Shares. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Tag-Along Shares to the Tag Transferee.

15.4. No Transfer or creation of Encumbrance by Shareholders

Except as otherwise specifically provided for in this Agreement, no Shareholder shall Transfer any Shares held by it or create any Encumbrance on the Shares without the prior written consent of all other Shareholders, provided that, in case such written consents are given, the proposed Transfer is to be affected or proposed Encumbrance is to be created within 90 (Ninety) days from receipt of the last of such written consents.

- 15.5. Any purported Transfer of Equity Shares that does not comply with the procedures set out in Clauses 15.1, 15.2, 15.3 and 15.4 shall be null and void. It is clarified that the provisions of this clause shall not prejudice the provisions of Clause 16 and 17 of this Agreement.

16. **CHANGE IN CONTROL**

- 16.1. Within 7 (Seven) Business Days after the completion of a Change in Control of FILA, FILA shall deliver written notice of such Change in Control ("**FILA CIC Notice**") to the Indian Shareholders.

- 16.2. For a period of 30 (Thirty) Business Days from receipt of the FILA CIC Notice by the Indian Shareholders, the Indian Shareholders shall have the right but not the obligation, exercisable, at its sole discretion, by the delivery of a written notice to FILA, to sell to FILA all the Equity Shares held by the Indian Shareholders, on a Fully Diluted Basis, in the Company, as held by the Indian Shareholders on the date of receipt of the FILA CIC Notice, at the Formula ("**Indian Shareholders Put Option**"). In the event the Indian Shareholders exercise the Indian Shareholders Put Option, FILA shall be obligated to acquire all of the Equity Shares held by the Indian Shareholders, on a Fully Diluted Basis, in the manner contemplated under Clause 16.4.

- 16.3. In the event there is a Change in Control of the Indian Shareholders:

- 16.3.1. If the Indian Shareholder's shareholding in the Company is held by/through Persons not being its/their Affiliates as per Clause 15, in accordance with the provisions of this Agreement or a Change in Control of the Indian Shareholders, within 7 (Seven) Business Days after the completion of a Change in Control (other than due to a public offering of

the Indian Shareholder's Equity Shares) of the Indian Shareholders, the Indian Shareholders shall deliver written notice of such Change in Control ("**Indian Shareholders CIC Notice**") to FILA.

- 16.3.2. At the sole discretion of FILA and within a period of 30 (Thirty) Business Days from receipt of the Indian Shareholders CIC Notice, FILA shall have the right but not the obligation exercisable by the delivery of a written notice to the Indian Shareholders to require the Indian Shareholders to sell all the Equity Shares held by the Indian Shareholders, on a Fully Diluted Basis, in the Company, as held by the Indian Shareholders, as on the date of receipt of the Indian Shareholders CIC Notice at the Formula ("**FILA Call Option**"). In the event FILA exercises the FILA Call Option, the Indian Shareholders shall be obligated to sell all of their Equity Shares held by the Indian Shareholders, on a Fully Diluted Basis, in the manner contemplated under Clause 16.4.

16.4. Completion

In the event of exercise of the Indian Shareholders Put Option or the FILA Call Option, as the case may be, the Indian Shareholders and FILA shall complete the sale of the Shares held by the Indian Shareholders, within 10 (ten) days, subject to the time taken for obtaining the necessary Governmental Authorizations not being included in the above time period of 10 (ten) days. FILA shall be entitled to nominate any of its Affiliates to acquire the Equity Shares held by the Indian Shareholders, on a Fully Diluted Basis, which are the subject of the Indian Shareholders Put Option or the FILA Call Option.

- 16.5. Each Shareholder (and any shareholder Controlled by it) must execute instruments of transfer and any other documents that may be required to give effect to that Shareholder's sale of Shares under this Clause 16, in accordance with Applicable Law.
- 16.6. Any failure of FILA to acquire the Equity Shares held by the Indian Shareholders, on a Fully Diluted Basis, in accordance with the provisions of this Clause 16 shall constitute a material breach of this Agreement and the consequences set out in Clause 18.2 shall be applicable.

17. **DEADLOCK**

- 17.1. For the purpose of this Clause 17, so long as the Indian Shareholders hold 10% of the Share Capital, a deadlock shall be deemed to have occurred if after the Effective Date:

17.1.1. a resolution relating to any matter set out in **Schedule 4 ("Critical Matters")** is proposed by either the FILA Nominee Director(s) or the Authorised Person (or FILA or the Authorised Person) at (i) 2 (two) successive Board Meetings and / or (ii) General Meetings (as the case maybe), and, are not passed at such meetings because such Critical Matter(s) did not receive the necessary affirmative vote of at least 1 (one) FILA Nominee Director and the Authorised Person (at a Board Meeting), or the affirmative vote of FILA and the Authorised Person (at a General Meeting) in its favour; or

17.1.2. if on two (2) successive occasions, a Board Meeting or a General Meeting cannot be conducted for lack of quorum.

(hereinafter referred to as “**Deadlock**”).

- 17.2. In the event of a Deadlock, the Shareholder Group, which has proposed or whose nominee Director or (the Authorised Person in case of the Indian Shareholders) has proposed the Critical Matter(s) which has given rise to the Deadlock, may serve on the other Shareholder Group a notice (hereinafter referred to as “**Deadlock Notice**”, as the case may be). A Deadlock Notice must (a) be dated, (b) state that it is a Deadlock Notice served under this Clause 17.2 of this Agreement; and (c) as relevant, provide details of the Deadlock.
- 17.3. The Shareholder Groups shall in good faith refer the issue covered under such Deadlock to: (i) in the case of the FILA Group, the chairman or managing director of FILA or nominees of such chairman or managing director; and (ii) in the case of the Indian Shareholder Group, the Authorised Person, to resolve such Deadlock through discussions and negotiations to be held as soon as practicable after such Deadlock arises, but not later than 30 (Thirty) Business Days from the date of the Deadlock Notice (“**MD Mediation**”).
- 17.4. In the event that the Shareholder Groups are unable to resolve the Deadlock within 60 (Sixty) days following the MD Mediation, then an “**Unresolved Deadlock**” shall be deemed to exist.
- 17.5. Upon the occurrence of an Unresolved Deadlock, the Shareholder Groups shall proceed as follows:
- 17.5.1. In case the Critical Matter which has given rise to the Unresolved Deadlock , irrespective of the Shareholder Group (or through their nominee directors/Authorised Person) that has proposed the Critical Matter:
- (i) FILA shall have the right (but not the obligation) to require the Indian Shareholders to sell to FILA or any third Person nominated by FILA all the Equity Shares held by the Indian Shareholders, on a Fully Diluted Basis, (“**Unresolved Deadlock Call Option**”) (subject to the pricing guidelines prevalent under any Applicable Law and all other applicable provisions in the Territory) at the Formula by issue of a notice to the Indian Shareholders (“**Unresolved Deadlock Call Option Notice**”) within 30 (thirty) Business Days from the date on which the Unresolved Deadlock arose in terms of Clause 17.4 (“**Unresolved Deadlock Call Option Exercise Period**”). If FILA issues the Unresolved Deadlock Call Option Notice within the Unresolved Deadlock Call Option Exercise Period, the Indian Shareholders shall do all things required to give effect to the sale of the Equity Shares, on a Fully Diluted Basis, held by the Indian Shareholders within a period of 30 (Thirty) Business Days from the date of issue of the Unresolved Deadlock Call Option Notice, failing which it will be construed as a material breach of this Agreement by FILA and the consequences set out in Clause 18.2 shall be applicable.



- (ii) If FILA does not exercise the Unresolved Deadlock Call Option within the Unresolved Deadlock Call Option Exercise Period, the Critical Matter which has resulted in an Unresolved Deadlock shall be once again discussed, in good faith, by FILA and the Indian Shareholders at FILA at 2 (two) consecutive Board Meetings or General Meetings (as the case may be), and where such Unresolved Deadlock has not been resolved at such Board Meetings or General Meetings or within a period of 6 (six) months from the date on which such Unresolved Deadlock arose (whichever is earlier) ("**Cool-off Period**"), then the following steps shall be implemented:
- (a) FILA shall have the right to exercise another Unresolved Deadlock Call Option at the Formula by issuance of an Unresolved Deadlock Call Option Notice within a period of 7 (seven) days from the expiry of the Cool-off Period ("**Second Unresolved Deadlock Call Option Exercise Period**"), and the provision of Clause 17.5.1(i) shall once again, mutatis mutandis, apply to this Clause 17.5.2(ii)(a); and
- (b) In the event FILA does not exercise the Unresolved Deadlock Call Option Notice within the Second Unresolved Deadlock Call Option Exercise Period, the Indian Shareholders shall, after the expiry of 7 (seven) days from the date of expiry of the Second Unresolved Deadlock Call Option Exercise Period, have the right, at its sole discretion, by the delivery of a written notice to FILA ("**Indian Shareholders Put Notice**"), to sell to FILA or any third Person nominated by FILA, all the Equity Shares held by the Indian Shareholders, on a Fully Diluted Basis, in the Company, at the Formula (subject to the pricing guidelines prevalent under any Applicable Law and all other applicable provisions in the Territory). In the event the Indian Shareholders exercise the Indian Shareholders Deadlock Put Notice, FILA shall be obligated to acquire all the Equity Shares held by the Indian Shareholders, on a Fully Diluted Basis, within a period of 30 (Thirty) Business Days from the date of receipt of the Deadlock Put Notice, at the Formula, failing which it will be construed as a material breach of this Agreement by FILA and the consequences set out in Clause 18.2 shall be applicable.
- (c) It is clarified for the avoidance of doubt that if FILA does not exercise the Unresolved Deadlock Call Option, in terms of Clause 17.5.1 (ii) (a) and the Indian Shareholders do not exercise the Indian Shareholders Put Notice, in terms of Clause 17.5.1 (ii) (b) within the timelines mentioned above, FILA and the Indian Shareholders shall take all necessary steps as may be required to convene a General Meeting, at which meeting the Indian Shareholders shall vote in the same manner as directed by FILA. In the event, the Unresolved Deadlock also requires a Board approval, the Board shall give

effect to the decision passed at the abovementioned General Meeting.

- 17.5.2. In the event, on two (2) successive occasions, a Board Meeting or a Shareholders Meeting cannot be conducted for lack of quorum due to the absence of a FILA Nominee Director(s) (at a Board Meeting) or FILA (at a Shareholders' Meeting), the Indian Shareholders shall have the right, at its sole discretion, by the delivery of a written notice to FILA ("**Indian Shareholders Lack of Quorum Put Notice**") to sell to FILA or any third Person nominated by FILA, all the Equity Shares held by the Indian Shareholders, on a Fully Diluted Basis, in the Company, at the Formula (subject to the pricing guidelines prevalent under any Applicable Law and all other applicable provisions in the Territory). Upon receipt of the Indian Shareholders Lack of Quorum Put Notice, FILA shall be obligated to purchase all the Equity Shares held by the Indian Shareholders in the Company, on a Fully Diluted Basis, within a period of 30 (Thirty) Business Days from the date of receipt of the Indian Shareholders Lack of Quorum Put Notice, at the Formula, failing which it will be construed as a material breach of this Agreement by FILA and the consequences set out in Clause 18.2 shall be applicable.
- 17.5.3. In the event, on two (2) successive occasions, a Board Meeting or a Shareholders Meeting cannot be conducted for lack of quorum due to the absence of the Authorized Representative (at a Board Meeting) or Authorized Representative (at a Shareholders' Meeting), FILA shall have the right, at its sole discretion, by the delivery of a written notice to the Indian Shareholders ("**FILA Lack of Quorum Call Notice**"), to acquire all the Equity Shares held by the Indian Shareholders, on a Fully Diluted Basis, in the Company, at the Formula, either by itself or through its Affiliates (subject to the pricing guidelines prevalent under any Applicable Law and all other applicable provisions in the Territory). Upon receipt of the FILA Lack of Quorum Call Notice, Indian Shareholders shall be obligated to sell all the Equity Shares held by them in the Company, on a Fully Diluted Basis, within a period of 30 (Thirty) Business Days from the date of receipt of the FILA Lack of Quorum Call Notice, at the Formula failing which it will be construed as a material breach of this Agreement by FILA and the consequences set out in Clause 18.2 shall be applicable.
- 17.5.4. All actions including but not limited to executing share transfer forms, making representations and warranties as regards title to the Equity Shares to be transferred, recording such transfer in the books and records of the Company and making requisite filings with Governmental Authorities shall be completed within the time period specified in Clause 17.5.
- 17.6. The time taken by any Party for receipt of approvals from the Governmental Authorities for the consummation of such sale and purchase of the Equity Shares shall be excluded from the time period specified in Clause 17.5.
- 17.7. The Parties hereby agree to continue to perform their obligations under this Agreement, notwithstanding any Deadlock which may occur.

## 18. EVENT OF TERMINATION AND TERMINATION

### 18.1. Winding up of the Company:

18.1.1. In the event that the Company has a receiver or administrator or liquidator appointed over all or a substantial part of its assets by a court of competent jurisdiction, or has an order made by a competent court or resolution passed for its winding up or administration and operation of such an order is not stayed by an appellate court within 45 (Forty Five) days from the date thereof, or ceases to carry on business, or has a floating charge crystallise over any of its assets or a distress or execution levied or enforced against any of its assets which is not satisfied within 90 (Ninety) days, or is dissolved, or suffers any analogous event to any of the above under Applicable Law in any jurisdiction ("**Winding Up Events**"), the consequences specified in Clause 18.1.2 shall follow.

18.1.2. In case of occurrence of any of the Winding Up Events or if any of the Winding Up Events is imminent, the Shareholder Groups shall mutually discuss to take all reasonable actions, including restructuring of the Company and/or its Business. If, within 90 (Ninety) days of the occurrence of the Winding up Event, the Shareholder Groups do not agree on the restructuring of the Company and/or its Business, the Shareholder Groups shall use all reasonable endeavours to sell the Company as a going concern (subject to Applicable Law) on a competitive basis to one or more third parties, either as a single or series of transaction(s). The Shareholder Groups shall cooperate and cause the Board to cooperate in restructuring the Company and the Business prior to such sale, if necessary or desirable, to facilitate the same or optimize the saleability of the Company, or the sales proceeds. In the event there is a sale of the Company, immediately upon such sale of the Company, this Agreement will automatically terminate.

### 18.2. Material Breach of this Agreement:

18.2.1. In the event a Shareholder commits a material breach of or commits any material default under any provision of this Agreement (including any material breach or material inaccuracy of its representations or warranties under this Agreement (the "**Breaching Shareholder Group**") and such Shareholder Group does not remedy that breach or default within 30 (Thirty) days after receiving a notice of that breach or default from the other Shareholder Group ("**Notifying Shareholder Group**") requesting that the breach or default be remedied ("**Trigger Event**") by the Breaching Shareholder Group, then the provisions of Clause 18.2.2 to 18.2.5 shall apply. Provided, however, that the Shareholder Group of which the breaching Shareholder is a part, shall be deemed to be in breach.

18.2.2. Upon occurrence of a Trigger Event, the Notifying Shareholder Group shall be entitled to:

- (i) require the Breaching Shareholder Group to sell all (and not part) of that Shareholder Group's Equity Shares in the Company to the Notifying Shareholder Group ("**Termination Call Option**") at a price

equal to 70% (Seventy per cent) of Formula; or

- (ii) require the Breaching Shareholder Group to purchase all (and not part) of the Notifying Shareholder Group's Equity Shares in the Company ("**Termination Put Option**") at a price equal to 130% (One hundred and thirty per cent) of Formula subject to applicable laws.
- (iii) (The Termination Call Option and the Termination Put Option are hereinafter collectively referred to as the "**Termination Options**").

18.2.3. The Termination Options shall be exercised by the Notifying Shareholder Group by addressing a written notice to the Breaching Shareholder Group within 60 (Sixty) days from the Trigger Event giving rise to the Termination Options ("**EOD Notice**").

18.2.4. The sale and purchase of the Equity Shares pursuant to the Termination Options shall be consummated within 60 (Sixty) days from the date of receipt of the EOD Notice. The time taken by any Party for receipt of approvals from the Governmental Authorities for the consummation of such sale and purchase of the Equity Shares shall be excluded from the time period specified in Clauses 18.2.3 and 18.2.4.

18.2.5. Immediately upon completion of the purchase and sale of the Equity Shares in accordance with Clause 18, this Agreement shall automatically terminate.

18.3. Liquidation Event of a Shareholder:

18.3.1. In the event a Shareholder ("**Affected Shareholder**") has a receiver or administrator or liquidator appointed over all or a substantial part of its assets by a court of competent jurisdiction, or has an order made by a competent court or resolution passed for its winding up or administration and operation of such an order is not stayed by an appellate court within 45 (Forty Five) days from the date thereof, or ceases to carry on business, or has a floating charge crystallised over any of its assets or a distress or execution levied or enforced against any of its assets which is not satisfied within 90 (Ninety) days, or is dissolved, or suffers any analogous event to any of the above under Applicable Law in any jurisdiction ("**Shareholder Liquidation Event**"), then the consequences specified in Clause 18.3.2 shall follow.

18.3.2. Upon the occurrence of a Shareholder Liquidation Event or if any of the Shareholder Liquidation Events is imminent, the Affected Shareholder shall, subject to Applicable Law, Transfer all the Equity Shares held by it to the other Shareholders of the Indian Shareholder Group (if the Affected Shareholder is a part of the Indian Shareholders) or an Affiliate of FILA (if the Affected Shareholder is a part of the FILA Group), as the case may be ("**Affected Group**"). In the event:

- (i) that the receiver is in possession of the Equity Shares of the Company held by the Affected Shareholder, the other members of the Affected Group shall make their best efforts to purchase the Equity Shares from the receiver prior to or during the winding up process of such

Affected Shareholder; and

- (ii) if the other members of the Affected Group are unable to purchase the Equity Shares of the Company held by the Affected Shareholder, the Parties undertake to take all actions to bring the provisions of this Agreement and also the Memorandum and Articles to the notice of the receiver so as to ensure that the receiver affords an opportunity to the Shareholders other than the Affected Group to exercise their rights (including the First Refusal Right) under the provisions of this Agreement and also the Memorandum and Articles. Without prejudice to the aforesaid, subject to Applicable Law, in the event the receiver sells the Equity Shares of the Company held by the Affected Shareholder to any third party, without complying with the provisions of this Agreement and of the Memorandum and Articles, such sale shall be invalid.

18.3.3. Immediately upon the Transfer of the Equity Shares by the Affected Shareholder, this Agreement shall terminate qua such Affected Shareholder and shall continue for the other Shareholders.

18.4. For the avoidance of doubt, the remedies available to the Shareholder Groups under this Clause 18 are in addition to any other remedy available to them under this Agreement or Applicable Law.

## 19. **ALTERATION OF THE MEMORANDUM AND ARTICLES**

19.1. The Memorandum and Articles shall be altered to incorporate therein such of the provisions of this Agreement, the SSPA and every other Transaction Document to which this Agreement may be subservient or inter linked as may be required to make this Agreement fully effective and for this purpose and to this end, the Parties shall take all steps necessary or required under and in accordance with the Act.

19.2. If any provisions of the Memorandum and Articles at any time conflict with any provisions of this Agreement and the Shareholder Groups shall, whenever necessary, exercise all voting and other rights and powers available to them to procure the amendment, waiver or suspension of the relevant provisions of the Memorandum and Articles, to the extent necessary to permit the affairs of the Company to be administered as provided in this Agreement or the Transaction Document to which this Agreement may be subservient or inter-linked.

## 20. **REPRESENTATIONS AND WARRANTIES**

### 20.1. Representations and Warranties of FILA and the Indian Shareholders

Each Shareholder Group, including each member of a group jointly and/or severally with all other group members, hereby makes the following representations and warranties to the other Shareholder Group, each of which is true and correct in all material respects as of the Completion Date:

- 20.1.1. It is duly organized and validly existing under the laws of its incorporation (in case it is not a natural person) and is a citizen of India and holds a valid Indian passport (in case of a natural person), as the case may be;
- 20.1.2. It has full corporate power and authority to execute and deliver this Agreement and to perform all of its duties, obligations and responsibilities arising or created under this Agreement. This Agreement, when executed and delivered by such Shareholder Group, shall constitute valid and legally binding obligations of such Shareholder Group, enforceable in accordance with its terms;
- 20.1.3. The execution, delivery and performance of this Agreement by such Shareholder Group will not, conflict with, result in a breach of or default under any Applicable Law or regulation, or any order, writ, injunction or decree of any court or Governmental Authority, or any agreement, arrangement or understanding, written or oral, to which such Shareholder Group is a party or by which such Shareholder Group or any of its assets are bound;
- 20.1.4. There is no litigation, judgments, orders, injunctions, decrees, investigations pending or, to the best of its knowledge, threatened against it, which questions the validity or enforceability of this Agreement or any of the transactions contemplated herein; and
- 20.1.5. Each of the Shareholders is the sole beneficial owners of the Equity Shares, which have been fully paid up and are free of any Encumbrances.

## 21. **NON-COMPETITION**

- 21.1. During the Term of the Agreement and for a period of 3 (three) years thereafter, neither Shareholder Group nor any of its Affiliates shall directly or indirectly own, invest, control, acquire, operate, manage, participate or engage in any business in the Territory which falls into the scope of Competing Business nor do or facilitate or assist in doing any act which is likely to directly or indirectly compete with the Business, whether on its own account or as a consultant to or as a partner, agent, employee, shareholder or director of any other Person. Further, none of the Indian Shareholders nor any of their Affiliates shall directly or indirectly own, invest, control, acquire, operate, manage, participate or engage in any business anywhere within and outside the Territory which falls into the scope of Competing Business nor do or facilitate or assist in doing any act which is likely to directly or indirectly compete with the Business, whether on its own account or as a consultant to or as a partner, agent, shareholder or director of any other Person.
- 21.2. During the Term of the Agreement and for a period of 3 (three) years thereafter, each Shareholder and its Affiliates shall not, and the Shareholders shall ensure that the Affiliates of the Company shall not, and the Shareholders shall on a best efforts basis procure that the COO, Sales and Marketing Manager, India, the CFO and the Sales and Marketing Manager, Exports and the Relatives (not being employees of the Company) of the Indian Shareholders, shall not, directly or indirectly, either by themselves/ itself or in association with or through any Person or entity, in any manner whatsoever whether as principal, agent, shareholder (whether by way of acquisition of shares or

convertible debentures), partner, director, contractor, joint venture partner, advisor, consultant or in any other capacity:

- 21.2.1. carry on, own, manage, operate, join, assist, have an interest or control in any business /business entity which is a Competing Business; or
  - 21.2.2. engage in or conduct or carry on any Competing Business; or
  - 21.2.3. for itself or as an agent of any Person canvass or solicit business or customers for any Competing Business; or
  - 21.2.4. solicit any customer, distributor, supplier, dealer, or agent for the purpose of any business including the Competing Business; or
  - 21.2.5. solicit, canvass or entice away any employee who is employed in any managerial, supervisory, technical, sales or administrative capacity from the Company or its Subsidiaries to leave such employment.
- 21.3. In the event that FILA consummates any investments/acquisition outside the Territory in a company, as a result of which FILA acquires Control of such company and such company also carries on any Competing Business in the Territory ("**Target**"), then, within a period of 6 (six) months from the date on which FILA consummates or completes such investments/acquisition in such company, the Company shall have the right to purchase the Target from the company Controlled by FILA, at the same price paid by FILA and/or its Affiliates.
- 21.4. Nothing in this Clause 21 shall apply to any financial investments by FILA and/or its Affiliates in a company of up to 5% (five percent) of the share capital of such company which carries on any business similar to the Business in the Territory.
- 21.5. Whilst the provisions of this Clause 21 are considered by the Parties to be reasonable in all the circumstances, the Parties agree that if any of the provisions should be held by a court or tribunal of competent standing to be invalid as an unreasonable restraint of trade (but would have been valid if part of the wording had been deleted or the period reduced or the range of activities or geographical area reduced in scope), the provisions of this Clause 21 shall apply with such modifications (which would be deemed to have been made) as are necessary to make them valid and effectively enforceable by a court or tribunal of competent jurisdiction.

## 22. **SHAREHOLDERS UNDERTAKINGS**

- 22.1. During the Term of the Agreement, FILA and/or the Indian Shareholders and/or its/their Affiliates hereby agree that any future ventures/investments/development projects/acquisitions, in any business similar to the Business in the Territory shall be undertaken, carried on, implemented or held through the Company.
- 22.2. The Parties agree that during the Term of this Agreement, if either FILA or the Indian Shareholders desire to set up or invest in, any new business venture or plans to diversify into new business areas ("**Electing Party**") similar to the Business, then the Electing Party shall immediately notify the non Electing Party of the same. Thereupon, the Electing Party and Non Electing Parties shall mutually undertake a feasibility study

of the proposed venture and upon mutually concluding to implement the proposed venture undertake the new venture as 51:49 business partners in the venture or such other shareholding percentage as may be mutually agreed between FILA and the Indian Shareholders.

- 22.3. The modalities of any new business ventures in terms of Clause 22.2 above shall be recorded and implemented by way of a separate written agreement between FILA and the Indian Shareholders.

23. **NOTICES**

- 23.1. Any notices, requests, demands or other communication required or permitted to be given under this Agreement (hereinafter referred to as the "Notice") shall be written in English and shall be delivered personally, or sent by fax, or sent by pre-paid recorded delivery or international courier, or electronic mail in accordance with Clause 23.2.

- 23.2. A Notice shall be deemed to have been received:

23.2.1. at the time of delivery, if delivered personally;

- i. (two) Business Days after proof of transmission, if sent by facsimile;
- ii. 15 (fifteen) Business Days after the time and date of posting, if sent by pre-paid recorded delivery or international courier to the address set forth in Clause 23.3 (as may be amended from time to time) with proof of delivery; or
- iii. if sent by email, at the time of written confirmation by the recipient or immediately after the date of confirmation of transmission recorded on the sender's computer;

provided that if receipt of any Notice occurs after 6.00 p.m. or is not on a Business Day, deemed receipt of the Notice shall be 10.00 a.m. on the next Business Day. References to time in this Clause 23 (*Notices*) are to local time in the country of the addressee.

- 23.3. The initial address, facsimile and email of the Parties is as follows:

**In the case of Notices to FILA:**

Attention: Massimo Candela  
Facsimile: +39 02 3391 0488  
Email: massimo.Candela@fila.it  
Address: F.I.L.A. Spa Pero Via xxv aprile, 5 Italy

And

Attention: Stefano De Rosa  
Facsimile: +39 02 3391 2178



Email: stefano.derosa@fila.it  
Address: F.I.L.A. Spa Pero Via xxv aprile, 5 Italy

**In the case of Notices to the Company:**

Attention: Santosh R. Raveshia  
Facsimile: +91 260 2563614  
Email: santosh@domsindia.com  
Address: Writefine Products Private Limited  
J - 19, GIDC, Opp. New Telephone Exchange  
Umbergaon – 396171, Gujarat, India

**In the case of Notices to the Indian Shareholders:**

Attention: Santosh R. Raveshia  
Facsimile: +91 260 2563614  
Email: santosh@domsindia.com  
Address: Plot No. 114, "Suraj", GIDC  
Umbergaon – 396171 Gujarat, India

or at such other address as the Party to whom such Notices are to be given shall have last notified the Party giving the same in the manner provided in this Clause 23, but no such change of address shall be deemed to have been given until it is actually received by the Party sought to be charged with the knowledge of its contents.

24. **CONFIDENTIALITY**

24.1. General Obligation

Each Party undertakes that it shall not reveal, and shall use its reasonable efforts to ensure that its directors, officers, managers, partners, members, Relatives of such directors, officers, managers, partners, members, as well as employees, legal, financial and professional advisors and bankers (collectively, "**Representatives**") do not reveal, to any third party any Confidential Information without the prior written consent of the concerned Party. The term "**Confidential Information**" as used in this Agreement means (a) any information concerning the organization, business, technology, trade secrets, know-how, finance, transactions or affairs of the Company or any other Shareholder or any of their respective Affiliates, directors, officers or employees (whether conveyed in written, oral or in any other form and whether such information is furnished before, on or after the Completion Date hereof) and (b) any information or materials prepared by a Party or its Representatives that contain or otherwise reflect, or are generated from, Confidential Information for a period of 3 (three) years from the date of termination of this Agreement.

24.2. Exceptions

The provisions of Clause 24.1 shall not apply to:

24.2.1. the disclosure of information which the recipient can reasonably demonstrate is in or has entered the public domain through no fault of the recipient Party;

- 24.2.2. the disclosure of information to the extent so required by Applicable Law or rules of any stock exchange on which such Parties shares or securities are listed or to which such Party is otherwise subject, pursuant to an order of any Governmental Authority when the Party concerned shall, if practicable, supply an advance copy of the required disclosure to the other Parties and incorporate any additions or amendments reasonably requested by them;
- 24.2.3. governmental regulations, lenders of a Party or generally accepted accounting principles applicable to any Party or judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement;
- 24.2.4. the disclosure of information in confidence to any professional adviser to any of the Parties for the purposes of obtaining advice or assistance in connection with its obligations or rights, or the obligations or rights of any of the other Parties hereunder; or
- 24.2.5. the disclosure of information in confidence to any of the Shareholder's ultimate investors, potential investors or their respective legal and financial advisors.

24.3. Disclosure to Third Parties

Upon any Shareholder entering into negotiations with any Person with a view to Transferring any Equity Shares to such Person, information in respect of the Company that is reasonably necessary to permit such Person to evaluate the business of the Company may be provided to such Person, provided that (a) such Person has executed a confidentiality agreement in such form as may be reasonably required by the Board, (b) if such Person is a competitor, the Board may prohibit the disclosure of any such Confidential Information as the Board may determine, and (c) prior to disclosing any Confidential Information to such Person, the Shareholder shall disclose to the Board the identity of such Person and, to the extent known, its Affiliates.

25. **ANNOUNCEMENT**

The Parties shall not make, and shall not permit any of their respective directors, employees, officers, or Affiliates to make, any public announcement about the subject matter of this Agreement or regarding the formation of the Company or any of its business and operating plans from time to time, whether in the form of a press release or otherwise, without first consulting with each other and obtaining the other Parties' written consents, save as required to satisfy any requirement (whether or not having the force of law) of a stock exchange on which the shares of the disclosing Party or an Affiliate or holding company of the disclosing Party are traded or the securities laws, rules or regulations or generally accepted accounting principles applicable to the disclosing Party or an Affiliate or holding company of the disclosing Party in any jurisdiction in which its shares are traded or any relevant governmental or regulatory body. In the event that disclosure is required, the other Parties shall be given a reasonable opportunity to review and comment on any such required disclosure.

26. **GOVERNING LAW AND DISPUTE RESOLUTION**

- 26.1. This Agreement shall be governed by and construed in accordance with the Laws of India, without regard to the principles of conflict of laws. Subject to Clause 26.2 below, the Courts in Mumbai shall have the exclusive jurisdiction, and the Courts outside India shall not have the jurisdiction, to entertain and dispose off any proceeding arising out of or from or touching this Agreement.
- 26.2. Subject to Clauses 26.3 to 26.9,
- 26.2.1. The Shareholder Groups agree to use all reasonable efforts to resolve any dispute, controversy, claim or disagreement of any kind whatsoever between or among the Shareholder Groups in connection with or arising out of this Agreement, including any question regarding its existence, validity or termination ("**Dispute**"), expeditiously and amicably to achieve timely and full performance of the terms of this Agreement.
- 26.2.2. Any Shareholder Group which claims that a Dispute has arisen must give Notice thereof to the other Shareholder Group as soon as practicable after the occurrence of the event, matter or thing which is the subject of such Dispute and in such Notice such Shareholder Group shall provide particulars of the circumstances and nature of such Dispute and of its claim(s) in relation thereto and shall designate a Person as its representative for negotiations relating to the Dispute, which Person shall have authority to settle the Dispute. The other Shareholder Group shall, within 7 (Seven) days of such Notice, each specify in writing its position in relation to the Dispute and designate as their representative in negotiations relating to the Dispute a Person with similar authority.
- 26.2.3. The aforesaid designated representatives shall use all reasonable endeavours, including engaging in discussions and negotiations, to settle the Dispute within 30 (Thirty) days after receipt of the particulars of the Dispute.
- 26.2.4. If the Dispute is not resolved within the 30 (Thirty) days period set out in Clause 26.2.3 above, then the provisions of Clause 26.3 to 26.9 shall apply.
- 26.3. Any Dispute shall be referred to and finally resolved by arbitration in accordance with the fast track arbitration (to the extent applicable) under the rules of arbitration of the Singapore International Arbitration Centre then in effect ("**Rules**"), which Rules are deemed to be incorporated by reference into this Clause 26. This Agreement and the rights and obligations of the Parties contained in this Agreement shall remain in full force and effect pending issuance of the award in such arbitration proceedings, which award, if appropriate, shall determine whether and when any termination shall become effective.
- 26.4. The number of arbitrators shall be 3 (three). One arbitrator shall be nominated by FILA and one arbitrator by the Indian Shareholders. The third arbitrator, who shall act as the presiding arbitrator, shall be nominated by the two arbitrators appointed ("**Presiding Arbitrator**"), provided that if these two arbitrators are unable to agree on the nomination of the Presiding Arbitrator within 20 (Twenty) Business Days of their

appointment, the Presiding Arbitrator shall be appointed in accordance with the Rules.

26.5. To the extent possible and notwithstanding commencement of any arbitral proceedings in accordance with this Clause 26:

26.5.1. the Parties shall continue to perform their respective obligations under this Agreement ("**Obligations**"); and

26.5.2. such arbitral proceedings shall be conducted so as to cause the minimum inconvenience to the performance by the Parties of the Obligations.

26.6. Notwithstanding anything to the contrary contained herein, in the event various Disputes arise in relation to the same or substantially similar set of facts, controversy or claim, the Parties undertake that all such Disputes shall be dealt with under the same arbitral proceeding and separate arbitral proceedings shall not be initiated with respect to each such Dispute. To the extent that separate arbitral proceedings are initiated with respect to the same Dispute, all such proceedings shall be consolidated and dealt with by one arbitral tribunal.

26.7. The seat and venue of arbitration shall be Singapore and any award shall be treated as an award made at the seat of the arbitration. The language to be used in the arbitral proceedings shall be English.

26.8. By agreeing to arbitration under the Rules in accordance with this Clause 26, the Parties undertake to abide by and carry out any award promptly. Any award shall be a reasoned award which shall be final and binding on the Parties

26.9. Notwithstanding anything to the contrary stated above, either Party shall have the right to seek injunctive relief (whether interim and / or final) in a court of law within the jurisdiction of the courts of Mumbai, India.

## 27. **COST AND EXPENSES**

27.1. Except as agreed to the contrary by the Parties in writing, each Party shall pay its own costs and expenses in relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of the Transaction Documents and all other documents referred to in them which relate to the transactions contemplated under them. The stamp duty payable on this Agreement will be borne by the Company.

## 28. **MISCELLANEOUS**

### 28.1. No Partnership

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

28.2. Time

Any date or period as set out in any Clause of this Agreement may be extended with the written consent of the Parties failing which time shall be of the essence.

28.3. 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.

28.4. Counterpart

This Agreement may be executed in any number of originals or counterparts, each in the like form and all of which when taken together shall constitute one and the same document, and any Party may execute this Agreement by signing any one or more of such originals or counterparts. The delivery of executed counterparts by facsimile transmission or electronic mail in "portable document format" (i.e., "pdf") shall be as effective as executing and delivering the counterpart in person.

28.5. Variation

No variation of this Agreement shall be binding on any Party unless such variation is in writing and signed by each Party.

28.6. No Assignment

Subject to the provisions of this Agreement, this Agreement is personal to the Shareholder Groups and shall not be capable of assignment, except with the prior written consent of the other Shareholder Group, provided, however, that each of the Shareholder Groups shall have the right to assign its/their rights and obligations under this Agreement to its/their Affiliate(s) without the prior consent of the other Shareholder Group, subject to such Affiliate executing a Deed of Adherence.

28.7. 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 authorised representative of the waiving Party.

28.8. Severability

If any provision of this Agreement is invalid, unenforceable or prohibited by Applicable Law, this Agreement shall be considered divisible and severable as to such provision and such provision shall be inoperative and shall not be part of the consideration moving from either Party hereto to the other, and the remainder of this Agreement shall be valid, binding and of like effect as though such provision was not included herein. Provided, however, if any part of Clauses 16 and / or 17 becomes

invalid, unenforceable or prohibited by Applicable Law, the Parties shall, in good faith, take such actions as may be mutually agreed.

28.9. Joint and Several Liability

Notwithstanding any provisions to the contrary in this Agreement, the Parties hereby expressly agree and confirm that the Indian Shareholder Group shall be treated as a single Shareholder for the purpose of this Agreement and their rights, obligations, covenants and undertakings hereunder shall be joint and several, and a breach by any one member of the Indian Shareholder Group of its rights, obligations, covenants or undertakings hereunder shall be deemed as a collective breach by the other members of the Indian Shareholder Group of their respective rights, obligations, covenants and undertakings hereunder. Similarly, notwithstanding any provisions to the contrary in this Agreement, the Parties hereby expressly agree and confirm that FILA, together with such of its Affiliates who are Shareholders, shall be treated as a single Shareholder for the purpose of this Agreement and their rights, obligations, covenants and undertakings hereunder shall be joint and several, and a breach by any one member, of the group of FILA and such of its Affiliates who are Shareholders, of its rights, obligations, covenants or undertakings hereunder shall be deemed as a collective breach by the other members of such group of their respective rights, obligations, covenants and undertakings hereunder.

28.10. Supersession

This Agreement and the Transaction Documents constitute the entire agreement of the Parties as to its subject matter and supersedes any previous understanding or agreement, whether written or oral, on such subject matter.

28.11. Survival

The provisions of Clauses 10 (Undertakings), Clause 20 (Representations and Warranties), Clause 23 (Notices), Clause 24 (Confidentiality), Clause 25 (Announcements), Clause 26 (Governing Law and Dispute Resolution) and this Clause 28.11 shall survive the termination / expiry of this Agreement.

**SCHEDULE 1**

**LIST OF INDIAN SHAREHOLDERS**

<b>Sr. No.</b>	<b>Name of the Shareholder</b>
1.	Santosh Rasiklal Raveshia
2.	Sejal Santosh Raveshia
3.	Chandni Vijay Somaiya
4.	Sheetal Hiren Parpani
5.	Sanjay Mansukhlal Rajani
6.	Ketan Mansukhlal Rajani
7.	Pravina Mansukhlal Rajani
8.	Ila Sanjay Rajani
9.	Shilpa Ketan Rajani

## SCHEDULE 2

### FORM OF DEED OF ADHERENCE

This Deed is made on [●] between:

- (1) [●] (the Company);
- (2) [●] of [●] (the New Shareholder);
- (3) [●] (the Original Shareholder[s]); [and
- (4) [●] (the Continuing Shareholder)].

#### WHEREAS:

- (A) The Original Shareholder [s], the Company [and the Continuing Shareholder] are Parties to a Shareholders Agreement dated [●] (the “**Agreement**”).
- (B) The New Shareholder proposes to purchase [●] Equity Shares of Rs. 10 (Rupees Ten) each in the capital of [●] (the “**Company**”) from the Original Shareholder in terms of a [share purchase agreement] dated on or about [●] executed between them. [The New Shareholder is an Affiliate of the Original Shareholder.]
- (C) This Deed is made by the New Shareholder in compliance with the Agreement. Capitalised terms used but not defined in this Deed will have the respective meanings given to them in the Agreement.

#### THIS DEED WITNESSES AS FOLLOWS:

1. The New Shareholder confirms that it has been supplied with a copy of the Agreement and has fully understood the terms thereof.
2. The New Shareholder agrees to hold the Equity Shares referred to in recital B above subject to the Agreement and the Memorandum and Articles of the Company.
3. The New Shareholder undertakes to the Continuing Shareholders and the Company to be bound by the Agreement in all respects as if the New Shareholder was a party to the Agreement and named in it as a part of the Indian Shareholder Group, if the Original Shareholder is a part of the Indian Shareholder Group, or as a part of the FILA Group, if the Original Shareholder is a part of the FILA Group, and to observe and perform all the provisions and obligations of the Agreement applicable to or binding on the Indian Shareholders or FILA, as the case may be, under the Agreement insofar as they fall to be observed or performed on or after the date of this deed.
4. It is hereby clarified that from the date of execution of this Deed, all references to the term “**Indian Shareholders**” in the Agreement shall include the New Shareholder (if the Original Shareholder is a part of the Indian Shareholders) and all references to the term “**FILA**” in the Agreement shall include the New Shareholder (if the Original Shareholder is a part of FILA).
5. The Continuing Shareholders undertake to the New Shareholder to observe and perform all the provisions and obligations of the Agreement applicable to or binding on them under the Agreement and acknowledge that the New Shareholder shall be

entitled to the rights and benefits of the Agreement in accordance with the terms of the Agreement.

6. This Deed is made for the benefit of (a) the Parties to the Agreement, and (b) every other person who after the date of the Agreement (and whether before or after the execution of this deed) assumes any rights or obligations under the Agreement or adheres to it.
7. The address and facsimile number of the New Shareholder for the purposes of the Agreement are as follows:  
  
Attention:     [●]  
Facsimile:    [●]  
Address:       [●]
8. This Deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same deed and any party may enter into this deed by executing a counterpart.
9. This Deed is governed by and shall be construed in accordance with laws of India, without regard to the principles of conflict of laws.
10. Clause 28 (Governing Law and Dispute Resolution) of the Agreement is incorporated herein by reference.

**IN WITNESS OF WHICH THIS DEED HAS BEEN EXECUTED AND HAS BEEN DELIVERED ON THE DATE WHICH APPEARS FIRST ON PAGE 1.**

Signed and delivered by [●]

Signed and delivered by [●]

Signed and delivered by [●]

Signed and delivered by [●]



**SCHEDULE 3**

**Definition of EBITDA**

**(Attached Separately)**

**Definition of NFP**

**(Attached Separately)**

## **SCHEDULE 4**

### **CRITICAL MATTERS FOR THE DEADLOCK**

- a. Mergers, demergers, amalgamations, liquidation/ voluntary dissolution/ winding up of the Company.
- b. Agreeing to the consolidated budget and Business Plan and material amendments thereto.
- c. Increasing or decreasing the authorised or issued Share Capital (with the exception of the Share Capital increases in terms of Clause 17.5), or creating or issuing securities (including equity shares, preference shares, warrants, options) or any instrument/loans convertible into equity.
- d. The Company commencing the manufacture and/ or sale of new lines of product (with the exception of the new business agreed to in terms of Clause 22.2)
- e. The Company ceasing the manufacture and / or sale of existing lines of products.
- f. The Company borrowing and / or repaying of any moneys from third parties and any amendments, granting of consents, issuance of waivers, renewal or extension of any such borrowings, for an amount exceeding individually Rs. 200,000,000/- (Rupees Two Hundred Million), save for working capital facilities to be availed from third parties or other similar instruments the granting of which may be delegated by the Board to the managing Director and/or MD.

**SCHEDULE 5  
RESERVED MATTERS**

- (i) Sale (or other acts of disposition) of participations or of business concerns;
- (ii) Changes in the compensation policy of the FILA Nominee Directors / Indian Shareholders Nominee Directors or employees of the Company nominated by FILA / the Indian Shareholders;
- (iii) Entering into any agreement with any party related to the Indian Shareholders/FILA;
- (iv) Distribution of dividends of an amount which if declared would result in the net debt: EBITDA ratio to be higher than 2.5 times;
- (v) Any guarantee or indemnity or similar arrangement, which has the effect of guaranteeing or indemnifying the liability by FILA to any third party or a Shareholder of the Company or the Company.
- (vi) Acquisition of assets, including immovable property and licences in respect thereof, in whatever form, including properties acquired on lease and / or leave & licence and assets leased or licenced under financing leasing arrangements, worth individually more than Rs. 100,000,000/- (Rupees One Hundred Million);
- (vii) Disposal of assets, including immovable property and licences in respect thereof, in whatever form, worth individually more than Rs. 100,000,000/- (Rupees One Hundred Million);
- (viii) Creation of any encumbrance over any of the Company's assets for an amount exceeding individually Rs. 100,000,000/- (Rupees One Hundred Million);
- (ix) Entering by the Company into any contract or series of contracts (and subsequent amendments thereto) to procure third party services) for an individual amount of more than Rs. 100,000,000/- (Rupees One Hundred Million), including without limitation, insurance contracts;
- (x) Entering by the Company into any contract or series of contracts (and subsequent amendments thereto) in respect of licenses for intellectual property rights;
- (xi) Initiation by the Company of legal proceedings or defence of any legal or regulatory proceedings or settlement or compromise of any third party claim against the Company, if the disputed amount exceeds Rs. 200,000,000/- (Rupees Two Hundred Million);
- (xii) Change in Memorandum and Articles of the Company;
- (xiii) Any change in the existing banking relationships of the Company namely HDFC Bank (prime lender), Bank of Baroda, State Bank of India and BNP

Paribas;

- (xiv) Appointment, removal and/or termination of existing or future Relatives of the Indian Shareholders and who are the employees or will be the employees of the Company, provided however, that this veto right shall not be available to either FILA or Indian Shareholders in case such existing or future employees have committed any fraud, or gross negligence or wilful conduct in the discharge of their duties;
- (xv) Any increase in remuneration/salaries, emoluments or benefits to the existing or future Relatives of the Indian Shareholders and who are employees or will be the employees of the Company, provided however, that this veto right shall not be available to either FILA or Indian Shareholders in case such increase in remuneration/salaries, emoluments or benefits is outside market standards.
- (xvi) Appointment, removal or termination of the statutory auditors of the Company.

## SCHEDULE 6

### FORMULA

#### (IN THE EVENT OF CHANGE IN CONTROL OR DEADLOCK)

1. **Certain definitions:**

“**Formula**” shall mean the amount payable by FILA to the Indian Shareholders in accordance with the formula determined in accordance with this Schedule 6.

“**EBITDA & NFP**” shall have the meanings ascribed to such terms under **Schedule 3**.

2. On the occurrence of a Change in Control (as per Clause 16) or Deadlock (as per Clause 17) at any time within the 1<sup>st</sup> (first) 4 years from the Completion Date, the amount payable by FILA to the Indian Shareholders pursuant to the exercise of the Indian Shareholders Put Option or the FILA Call Option or the FILA Buy Out Option, as the case may be, shall be determined as per the following formula:

(a) If 16.5x EBITDA minus NFP is equal to or higher than Current Equity Value, then the amount payable shall be: the Pro Rata Shareholding of the Indian Shareholder Group X (16.5x EBITDA minus NFP); or

(b) If 16.5x EBITDA minus NFP is lower than Current Equity Value, then the amount payable shall be the higher of (i) the Pro Rata Shareholding of the Indian Shareholder Group X Fair Market Value (as defined below); or (ii) the Pro Rata Shareholding of the Indian Shareholder Group X Rs. 4,470,000,000.

3. In the event of Deadlock (as per Clause 17) or Change in Control (as per Clause 16) occurs at any time after the 1<sup>st</sup> (first) 4 years from the Completion Date, the Indian Shareholders shall be entitled to receive an amount which is the higher of (i) the Pro Rata Shareholding of the Indian Shareholder Group X Fair Market Value and (ii) the Pro Rata Shareholding of the Indian Shareholder Group X Rs. 4,470,000,000.

4. The Fair Market Value of the Shares being transferred pursuant to this Agreement shall be determined as of the date of determination, as follows:

4.1 The Indian Shareholder Group shall appoint 1 valuation expert (“**Valuer**”), from amongst the list prepared by FILA comprising of primary audit firms or merchant banks having a branch or presence in India, within a period of 15 days of the requirement of such appointment being triggered under the relevant provision of this Agreement;

4.2 The Valuer appointed pursuant to Clause 4.1 above of this Schedule 6 shall determine the Fair Market Value, which shall be determined within a period of 30 Business Days of their being appointed.

4.3 In determining the Fair Market Value, the Valuer shall, amongst others, take into account the following guidelines:

- 4.3.1 that the sale contemplated is a sale between two strategic partners on an arms' length basis and employ the valuation parameters employed in transactions of such nature;
  - 4.3.2 that the Company operates in the Indian market that has historically been characterized by higher growth rates than other markets;
  - 4.3.3 that the valuation methodologies to be applied are (i) in line with international practice, (ii) customary for this kind of transactions and (iii) including, among others, discounted cash flows methodology, multiple based approach and net asset value methodology;
  - 4.3.4 the Valuer shall also take into account: (a) in case of any calamity or Act of God or disaster ("**Unforeseen event**"), in which case the Fair Market Value shall be determined taking into account factors/events/data/revenues/liabilities/assets based on the previous period of 3 (three) years prior to the occurrence of the Unforeseen Event; and (b) in case of ordinary course of business, the Fair Market Value shall be determined taking into account also the previous results/performance of the last 3 (three) years;
  - 4.3.5 the latest Board approved Business Plan and related budgets of the Company, if any;
  - 4.3.6 either Party shall be permitted to provide the Valuer (with a copy to the other Party) such other documents/information as may be necessary for the Valuer to determine the Fair Market Value; and
  - 4.3.7 The Parties further agree that in determining the Fair Market Value in accordance with this Schedule, the Valuer shall not attribute any weight to any 'control premium'.
5. Fees of Valuer: The fees and expenses of the Valuer shall be borne by FILA and Indian Shareholders equally.
6. It is clarified that the Fair Market Value determined in accordance with this Schedule 6 will be final and binding on the Parties.

## WAIVER CUM AMENDMENT AGREEMENT

1. **F.I.L.A. - FABBRICA ITALIANA LAPIS ED AFFINI S.P.A.**, a company incorporated under the laws of Italy and having its registered office at Pero, Via XXV Aprile, 5, 20016, Italy (hereinafter referred to as “**FILA**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its authorized representatives, successors and permitted assigns);
2. **SANTOSH RASIKLAL REVASHIA**, a citizen of India, residing at Plot no – 114, GIDC colony, Umbergaon, Valsad Gujarat– 396 171, India (hereinafter referred to as “**Santosh Revashia**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include his authorized representatives, successors and permitted assigns);
3. **SEJAL SANTOSH REVASHIA**, a citizen of India, residing at Plot no – 114, GIDC colony, Umbergaon, Valsad Gujarat– 396 171, India (hereinafter referred to as “**Sejal Revashia**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include his authorized representatives, successors and permitted assigns);
4. **CHANDNI VIJAY SOMAIYA**, a citizen of India, residing at B/3/23, GIDC colony, Umargam, Umbergaon, I.e., Valsad– 396 171, Gujarat, India (hereinafter referred to as “**Chandni Somaiya**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include her authorized representatives, successors and permitted assigns);
5. **SHEETAL HIREN PARPANI**, a citizen of India, residing at D-201/202, Lake Lucerne, Phase-3, Lake Homes, Powai, Mumbai, Maharashtra, 400079, India (hereinafter referred to as “**Sheetal Parpani**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include her authorized representatives, successors and permitted assigns);
6. **SANJAY MANSUKHLAL RAJANI**, a citizen of India, residing at Plot no – 113, GIDC colony, Umbergaon, Valsad Gujarat– 396 171, India (hereinafter referred to as “**Sanjay Rajani**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include his authorized representatives, successors and permitted assigns);
7. **KETAN MANSUKHLAL RAJANI**, a citizen of India, residing at 1st Floor, Prabhuniwas, Chitrnanjan Road, Vile Parle East, Mumbai – 400 057, Maharashtra, India (hereinafter referred to as “**Ketan Rajani**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include his authorized representatives, successors and permitted assigns);
8. **PRAVINA MANSUKHLAL RAJANI**, a citizen of India, residing at 1st Floor, Prabhuniwas, Chitrnanjan Road, Vile Parle East, Mumbai – 400 057, Maharashtra, India (hereinafter referred to as “**Pravina Rajani**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include her authorized representatives, successors and permitted assigns);

9. **ILA SANJAY RAJANI**, a citizen of India, residing at Plot no – 113, GIDC colony, Umbergaon, Valsad Gujarat– 396 171, India (hereinafter referred to as “**Ila Rajani**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include her authorized representatives, successors and permitted assigns);
10. **SHILPA KETAN RAJANI**, a citizen of India, residing at 1st Floor, Prabhuniwas, Chitranjan Road, Vile Parle East, Mumbai – 400 057, Maharashtra, India (hereinafter referred to as “**Shilpa Rajani**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include her authorized representatives, successors and permitted assigns);
11. **DOMS INDUSTRIES LIMITED** (*formerly known as Writefine Products Private Limited*), a company incorporated under the Companies Act, 1956 and having its registered office at J-19, G.I.D.C, Opposite Telephone Exchange, G.I.D.C, Umbergaon – 396 171, Gujarat, India (hereinafter referred to as the “**Company**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its authorized representatives, successors and permitted assigns); and

In this Waiver Cum Amendment Agreement (a) Santosh Revashia, Sejal Revashia, Chandni Somaiya, Sheetal Parpani, Sanjay Rajani, Ketan Rajani, Pravina Rajani, Ila Rajani and Shilpa Rajani are collectively referred to as the “**Indian Shareholders**”; and (b) FILA, the Indian Shareholders and the Company shall hereinafter be collectively referred to as the “**Parties**” and individually referred to as a “**Party**”.

**WHEREAS:**

- A. Under a shareholders’ agreement dated December 16, 2011 (the “**Initial Agreement**”), the Parties recorded their agreement regarding, among other things, their roles, responsibilities, rights and obligations and their *inter se* relationship with respect to the Company. Thereafter, pursuant to a change in shareholding, the Parties entered into an amended and restated shareholders agreement dated October 26, 2015, (the “**Shareholders’ Agreement**”) to regulate the terms and conditions of their *inter se* relationship with respect to their respective shareholding in the Company and the management and governance of the Company. The Shareholders’ Agreement amended and restated the Initial Agreement.
- B. The Board and Shareholders of the Company, pursuant to their respective resolutions dated July 20, 2023, and July 24, 2023, have authorized and approved, subject to receipt of necessary approvals and market conditions, the Company to undertake an initial public offering of its equity shares of face value of ₹10 each (“**Equity Shares**”) in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), the Companies Act, 2013, and rules made thereunder, each as amended and Applicable Law. The initial public offering will comprise a fresh issue of Equity Shares by the Company (“**Fresh Issue**”) and an offer for sale of Equity Shares by certain existing shareholders of the Company (the “**Offer for Sale**”). The Fresh Issue along with the Offer for Sale shall collectively be referred to as the “**Proposed Offer**”. Pursuant to the



Proposed Offer and subject to receipt of relevant regulatory approvals, the Equity Shares are proposed to be listed on BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”, and together with BSE, the “**Stock Exchanges**”).

- C. FILA, Sanjay Rajani and Ketan Rajani (hereinafter collectively referred to as, the “**Selling Shareholders**”) have consented to participate in the Proposed Offer by proposing to offer a portion of their respective shareholding in the Company in the Offer for Sale component of the Proposed Offer.
- D. For the purposes of the Proposed Offer, the Company shall file the draft red herring prospectus (“**DRHP**”) with the Securities and Exchange Board of India (“**SEBI**”) and the Stock Exchanges, and the red herring prospectus (“**RHP**”) and the prospectus with SEBI, the Registrar of Companies, Gujarat at Ahmedabad (“**RoC**”) and the Stock Exchanges, to comply with the requirements of the SEBI ICDR Regulations, the Companies Act and other Applicable Laws.
- E. The Company, FILA and the Authorized Person (*as defined under clause 2.1 (i) of this Agreement*), in consultation with the book running lead managers appointed in relation to the Proposed Offer (“**BRLMs**”), may consider a further issue of specified securities as may be permitted in accordance with Applicable Laws to any person(s), at their discretion, prior to the filing of the RHP with the RoC (“**Pre-IPO Placement**”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by the Company, FILA and the Authorized Person (*as defined under clause 2.1 (i) of this Agreement*) in consultation with the BRLMs. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Proposed Offer complying with rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended.
- F. In furtherance of the Proposed Offer, the parties to the Shareholders’ Agreement have agreed to waive and amend certain terms of the Shareholders’ Agreement, in terms of the provisions mentioned hereunder, in order to enable the consummation of the Proposed Offer, in the manner set out in this Waiver cum Amendment Agreement.
- G. Under Clause 28.5 of the Shareholders Agreement, the parties to the Shareholders’ Agreement can amend the Shareholders’ Agreement through an instrument in writing that is duly executed by or on behalf of all the Parties. Accordingly, the Parties are entering into this Waiver cum Amendment Agreement to record the requisite amendments and waivers under the Shareholders’ Agreement to facilitate the Proposed Offer.
- H. Notwithstanding anything contained in the Shareholders’ Agreement, each of the Parties hereby agree and acknowledge that the Proposed Offer, including the Pre-IPO Placement, if any, proposed to be undertaken by the Company is within the meaning of an “**IPO**” as defined under clause 14.7 of the Shareholders’ Agreement.
- I. In view of this Waiver cum Amendment Agreement and the Proposed Offer, the Company is also required to amend its existing articles of association (“**Articles**”).

**of Association”**), in accordance with the requirements of the Stock Exchanges, prior to the filing of the DRHP with the SEBI and the Stock Exchanges. Accordingly, the Parties have agreed to the adoption by the Company of restated articles of association.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements in this Agreement and other consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

## **1. DEFINITIONS AND PRINCIPLES OF INTERPRETATION**

### **1.1. Definitions**

Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to it in the Shareholders’ Agreement.

### **1.2. Rules of Interpretation**

The rules of interpretation applicable in terms of Clause 1.2 of the Shareholders’ Agreement shall apply *mutatis mutandis* to this Agreement, to the extent applicable. In case of any conflict between the terms of Waiver cum Amendment Agreement and the Shareholders’ Agreement, unless specified to the contrary in this Waiver cum Amendment Agreement, the Waiver cum Amendment Agreement shall prevail *vis-à-vis* the contents mentioned therein.

## **2. AMENDMENTS TO THE SHAREHOLDERS’ AGREEMENT**

2.1. The following definition shall be added in Clause 1.1 (Definitions) of the Shareholders’ Agreement:

- i. **“Authorised Person”** shall mean Mr. Santosh Revashia, as agent and attorney-in-fact for each and every member of the Indian Shareholder’s Group.
- ii. **“Consummation of the IPO”** means the receipt of final listing and trading approvals from BSE Limited and National Stock Exchange of India Limited for the listing and trading of the Equity Shares pursuant to the IPO.
- iii. **“Execution Date”** means the date of execution of this Waiver Cum Amendment Agreement;
- iv. **“Filing Date”** means the date of filing of the updated draft red herring prospectus by the Company with SEBI, pursuant to and in relation to the Proposed Offer;
- v. **“Long-Stop Date”** means the earlier of (a) expiry of a period of 12 (twelve) months from the date of filing the draft red herring prospectus by the Company with the Securities and Exchange Board of India and with BSE Limited and National Stock Exchange of India Limited in connection with the Proposed Offer, or (b) expiry of a period of 60 (sixty) days from the Filing

*Date, or (c) the date when the Board decides to withdraw the Proposed Offer, which may be further extended by mutual agreement of the Parties.*

- vi. *“Offer Documents” means the draft red herring prospectus, the red herring prospectus, the prospectus and any other document prepared and filed in relation to the Proposed Offer;*
- vii. *“Offer for Sale” means the offer for sale of the Equity Shares by the Selling Shareholders pursuant to the Proposed Offer;*
- viii. *“Pre-IPO Placement” shall have the meaning assigned to such term in Recital E;*
- ix. *“Proposed Offer” means the proposed initial public offering of the Equity Shares, authorized and approved by the Board and Shareholders of the Company pursuant to the resolutions dated July 20, 2023, and July 24, 2023, respectively, comprising of a fresh issue aggregating up to ₹3,500 million by the Company and an offer for sale of Equity Shares by the certain selling shareholders and shall include the Pre-IPO Placement, if any.*

- 2.2. The following definitions in the Clause 1.1 (Definitions) of the Shareholders' Agreement shall be substituted with the following:

*““IPO” means an initial public offering of the Equity Shares of the Company;”*

- 2.3. Clause 7.1.3 of the Shareholders' Agreement shall be substituted with the following:

*“The approval of the Shareholders would be obtained only on such matters as may be required under the Applicable Law and/ or pursuant to this Agreement.”*

- 2.4. Clause 7.2 of the Shareholders' Agreement shall be substituted with the following:

*“7.2 Number and Composition*

*Notwithstanding anything contained in this Agreement, the Parties agree that the Board shall be reconstituted to comply with the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Companies Act and other Applicable Laws.*

*The maximum number of Directors on the Board shall be fifteen (15), of which:*

- (a) *FILA’s right to nominate Directors on the Board (“FILA Nominee Directors”) and the Indian Shareholder’s right to nominate Directors on the Board (“Indian Shareholders Nominee Directors”), shall be in accordance with the following shareholding thresholds calculated on a Fully Diluted Basis in the Share Capital of the Company:*

<b>FILA Group's aggregate shareholding on a fully diluted basis</b>	<b>FILA's corresponding right to nominate Directors</b>	<b>Indian Shareholders' aggregate shareholding on a fully diluted basis</b>	<b>Indian Shareholders' corresponding right to nominate Directors</b>
Greater than or equal to 35% but less than 51%	5 directors	Greater than or equal to 35% but less than 51%	5 directors
Greater than or equal to 25% but less than 35%	3 directors	Greater than or equal to 25% but less than 35%	3 directors
Greater than or equal to 15% but less than 25%	2 directors	Greater than or equal to 15% but less than 25%	2 directors
Greater than or equal to 10% but less than 15%	1 director	Greater than or equal to 10% but less than 15%	1 director

*Provided, however, that, in the event the aggregate shareholding of either the FILA Group or the Indian Shareholders in the Company on a Fully Diluted Basis falls below 10% (ten percent) of the Share Capital, then their respective rights to nominate Directors on the Board shall fall away; and*

- (b) *such number of Independent Directors and women Directors, as prescribed by Applicable Laws.”*
- (c) *Upon Consummation of the IPO, the appointment of the FILA Nominee Directors or Indian Shareholders Nominee Directors, to the Board of the Company will be subject to Applicable Laws and the approval of the Shareholders by way of a special resolution in the first general meeting convened upon Consummation of the IPO and shall be subject to periodic approvals within such time intervals as required under Applicable Law.*

- 2.5. Clause 7.4 of the Shareholders' Agreement shall stand deleted in its entirety.
- 2.6. Clauses 7.6.2 and 7.6.3 of the Shareholders' Agreement shall stand deleted in their entirety.
- 2.7. Clauses 7.9.1 and 7.9.2 of the Shareholders' Agreement shall stand deleted in their entirety.
- 2.8. Clause 12.3.1 of the Shareholders' Agreement shall be substituted with the following:

*“The quorum for a General Meeting shall be at least 5 (five) Shareholders. Provided quorum at the General Meeting shall comprise at least 1 (one) duly*

*authorised representative of the FILA Group and 1 (one) duly authorised representative of the Indian Shareholder Group, present at the commencement of such meeting and throughout its proceedings and no business at any General Meeting shall be transacted, unless at least 1 (one) duly authorised representative of FILA and 1 (one) duly authorised representative of the Indian Shareholder Group, each are present at the commencement of such meeting and throughout its proceedings (unless the concerned Shareholder Group has provided its written consent to the holding of such meeting in the absence of its nominee). It is clarified for avoidance of doubt, that where any decision is referred to the Shareholders in terms of Clause 7. 1.4 of this Agreement (not being Critical Matters or Reserved Matters), then the Shareholder present at such meeting shall constitute a quorum for the purposes of approving/passing such resolution and the other Shareholders shall be deemed to have consented to the same.”*

- 2.9. Clause 14.7(c)(ii) of the Shareholders’ Agreement shall be substituted with the following:

*“an offer for sale of existing Equity Shares by FILA and/or any of the Indian Shareholders, to the extent communicated to the Company, in writing, by the relevant Shareholder.”*

- 2.10. After Clause 14.7(c) of the Shareholders’ Agreement, the following sub Clause 14.7(d) shall be inserted:

*“In accordance with Applicable Laws and the Offer Agreement, upon receipt of listing and trading approvals with respect to the Proposed Offer, all fees and expenses incurred in connection with the Proposed Offer shall be shared amongst the Company and the Selling Shareholders, in proportion to the Equity Shares sold in the Proposed Offer. In the event, any expense is paid by our Company on behalf of the Selling Shareholders in the first instance, it will be reimbursed to our Company, by the Selling Shareholders to the extent of its respective proportion of Offer related expenses, directly from the Public Offer Account.”*

- 2.11. The following proviso shall be inserted at the end of Clause 14.7 of the Shareholders’ Agreement:

*“Notwithstanding above, the provisions of Clauses 14.7(a) and 14.7(b) will not be applicable to the Proposed Offer. Provided however that the price, timing and size of the Proposed Offer shall be decided by the Company, FILA, the Authorised Person, in consultation with the book running lead managers appointed in relation to the Proposed Offer.”*

- 2.12. Notwithstanding the above, the following provisions of the Shareholders’ Agreement shall survive the termination of the Shareholders’ Agreement:

*Clause 23 (Notices);*

*Clause 24 (Confidentiality); and*

*Clause 26 (Governing Law and Dispute Resolution).*

**3. WAIVERS**

3.1. From the Execution Date, each Party (to the extent that such Party is entitled to rights under the relevant clauses as set out below), subject to the terms and conditions of this Waiver cum Amendment Agreement, agrees to waive its rights under the following provisions of the Shareholders' Agreement (and the corresponding provisions of the Articles of Association), specifically solely in order to (i) facilitate the Proposed Offer; and (ii) to the extent of any transfers proposed to be undertaken pursuant to the Offer for Sale or, as disclosed in any document to be filed in relation to the IPO, including the draft red herring prospectus:

- a. Clause 6.2 (*Further Issue*);
- b. Clause 6.3 (*Preemptive Rights*);
- c. Clause 8.1.1 (*Company Undertaking - The Company shall not recognise or register the Transfer of any Equity Shares unless effected in accordance with the provisions of this Agreement*);
- d. Clause 15 (*Transfer of Shares*); only to the extent of Offer for Sale in the Proposed Offer as provided below:

<b>Name of Selling Shareholders in the Proposed Offer</b>	<b>Aggregate amount of Offer for Sale</b>
FILA	up to ₹ 8,000 million
Sanjay Rajani	up to ₹ 250 million
Ketan Rajani	up to ₹ 250 million

**4. CONSENT**

4.1 In relation to Schedule 4 (*Critical Matters for the Deadlock*) of the Shareholders' Agreement, each of the Parties hereby, subject to the terms and conditions of this Waiver cum Amendment Agreement, provides its consent for modifications to the authorised capital of the Company, and changes to the capital structure of the Company and any issue, allotment or transfer of Equity Shares, specifically in the context of the Proposed Offer (including Offer for Sale as specified in Clause 3.1 (c) above;

4.2 Notwithstanding any of the confidentiality obligations imposed on each Party under Clause 24 (*Confidentiality*) and Clause 25 (*Announcement*) of the Shareholders' Agreement, each Party consents to disclose the terms of the Shareholders' Agreements, as amended, this Waiver cum Amendment Agreement, in the Offer Documents and all other documents in relation to the Proposed Offer, to the extent required under Applicable Law and/ or as necessary for the purposes of the Proposed Offer. Each Party consents to the filing of such copies of the Shareholders' Agreement and this Waiver cum Amendment Agreement, as may be required, along with the copy of the red herring prospectus/ prospectus, with the SEBI, RoC and the Stock Exchanges in

relation to the Proposed Offer, and to make available copies of the Shareholders' Agreement and this Waiver cum Amendment Agreement as material documents for inspection at the registered office of the Company and uploading on website of the Company, to the extent required under Applicable Law and/or as necessary for the purposes of the Proposed Offer.

## **5. TERM AND TERMINATION**

- 5.1. This Waiver cum Amendment Agreement shall become effective and binding on the Parties on and from the Execution Date.
- 5.2. Notwithstanding anything stated elsewhere in the Shareholders' Agreement or this Waiver cum Amendment Agreement, the Parties understand and acknowledge that upon the Filing Date, the Shareholders' Agreement, as amended or modified pursuant to this Waiver cum Amendment Agreement, as well as this Waiver cum Amendment Agreement, except (i) the amended right under Clause 2.4 of this Waiver cum Amendment Agreement and (ii) Clause 14.2, Clause 14.3 and Clause 14.4 of the Shareholders' Agreement (the enforceability of which shall be subject to approval of the Shareholders post listing of the Equity Shares), shall terminate in their entirety without any further act or deed required by any Party.
- 5.3. The Parties also understand and agree that, except to the extent as amended or modified pursuant to this Waiver cum Amendment Agreement, all rights and obligations of the Parties under the Shareholders' Agreement shall remain as currently provided for under the Shareholders' Agreement.
- 5.4. This Waiver cum Amendment Agreement shall be read in conjunction with the Shareholders' Agreement. In the event of any ambiguity or discrepancy between the provisions of this Waiver cum Amendment Agreement and the Shareholders' Agreement, and till the time this Waiver cum Amendment Agreement is effective, the provisions of this Waiver cum Amendment Agreement shall prevail.
- 5.5. This Waiver cum Amendment Agreement shall terminate upon earlier of the following:
  - a. By the mutual written agreement of all the Parties; or
  - b. In the event the Consummation of the IPO of the Equity Shares on the Stock Exchanges is not completed on or prior to the Long-Stop Date, or if the Company and the Selling Shareholders, in consultation with the book running lead managers, decide not to undertake the Proposed Offer.
- 5.6. Notwithstanding anything contained in this Waiver cum Amendment Agreement, if the Proposed Offer of the Equity Shares on the Stock Exchanges is not completed on or prior to the Long-Stop Date, or if the Company and Selling Shareholders jointly decide not to undertake the Proposed Offer, this Waiver cum Amendment Agreement shall stand immediately and automatically terminated with effect from the Long-Stop Date or the date on which the Company and Selling Shareholders, in consultation with the book running lead

managers, decide not to undertake the Proposed Offer, whichever is earlier, without any further action by any Party, and the Shareholders' Agreement (as existing prior to the execution of this Waiver cum Amendment Agreement) shall immediately and automatically stand re-instated with full force and effect, without requiring any further action of the Parties, and shall be deemed to have been in force during the period between the execution of this Waiver cum Amendment Agreement and the date of its termination, without any break or interruption whatsoever.

- 5.7. Subject to this Clause 5, the Parties agree to take all necessary steps and perform all necessary actions as may be necessary to effectively reinstate all the rights and obligations of the Parties and the Company vis-à-vis each other as set out in the Shareholders' Agreement, as of the date immediately prior to this Waiver cum Amendment Agreement, including by effecting requisite amendments to the Articles of Association. Further, the Company shall take all such actions, and do all such things, necessary to ensure that Parties are placed in the same position and possess the same rights as if this Waiver cum Amendment Agreement had not been executed and implemented.

## **6. REPRESENTATION AND WARRANTIES OF THE PARTIES**

Each Party represents that it has the power and authority and is competent to enter into and perform its obligations under this Waiver cum Amendment Agreement and this Waiver cum Amendment Agreement constitutes a legal, valid and binding obligation, enforceable against it in accordance with the terms of the Waiver cum Amendment Agreement.

## **7. GENERAL PROVISIONS**

- 7.1. This Waiver cum Amendment Agreement, together with the Shareholders' Agreement, constitutes the entire agreement between the Parties with respect to the subject matter thereof and shall remain valid, operative, binding, subsisting, enforceable and in full force and effect. The provisions of Clause 1 (*Definitions and Interpretation*), Clause 23 (*Notices*) and Clause 26 (*Governing Law and Dispute Resolution*) of the Shareholders' Agreement, to the extent not amended by this Waiver cum Amendment Agreement, shall apply *mutatis mutandis* to this Waiver cum Amendment Agreement.
- 7.2. No changes or additions to, or modifications of, this Waiver cum Amendment Agreement shall be valid unless made in writing and signed by all the Parties hereto.
- 7.3. Any term or provision of this Waiver cum Amendment Agreement that is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Waiver cum Amendment Agreement.
- 7.4. This Waiver cum Amendment Agreement shall be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which will constitute one and the same instrument. The delivery of signed counterparts by facsimile transmission or electronic mail in "portable document format (.pdf)" shall be as effective as signing and delivering the counterparts in person.



We, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Articles of Association.

Sr. No.	Names, Addresses, Descriptions, Occupations and Signature of the Subscribers	Signature, Name, Address, Description and Occupation of the Witness to the signature of the subscribers
1.	<p>Santosh Raveshia S/o Rasiklal A. Raveshia 'SURAJ', Plot No. 114, G.I.D.C. Residential Area, Gujarat, Dist. Valsad, PIN: 396171, Umbergaon.</p> <p>Occupation: Business</p> <p>SD/-</p>	<p>Manish I. Shah S/o. Indravadan N. Rathod</p> <p>CM/20, 2<sup>nd</sup> Floor, Above State Bank of Indore, Silvassa Road, G.I.D.C., Vapi - 396195.</p> <p>Occupation: Practicing Chartered Accountant</p> <p>MR.NO. 106342</p> <p>SD/-</p>
2.	<p>Ritesh Mundhra S/o Shankarlal C. Mundhra B-1/ 702, Jamnotri, Bangar Nagar, Goregaon (W), Mumbai - 400090.</p> <p>Occupation: Business</p> <p>SD/-</p>	

Place: Vapi

Dated 30<sup>th</sup> day of September, 2006