TERM SHEET

This Term Sheet summarizes the principal terms with respect to the proposed investment by [__] in [__]. The completion of the transaction contemplated by this Term Sheet will be subject to, among other things, completion of due diligence, execution of binding agreements and completion of conditions to Closing. This Term Sheet is not legally binding, except for the provisions on Confidentiality, Exclusivity, Expenses and Dispute Resolution. This Term Sheet does not constitute an offer to purchase any securities of the Company or create any obligation on the Investor to consummate the transaction contemplated by this Term Sheet.

<table>
<tr><th>Sl. No.</th><th>Key term</th><th>Particulars</th></tr>
<tr><td>1</td><td>Company</td><td>[__]</td></tr>
<tr><td>2</td><td>Founder(s)</td><td>[__]</td></tr>
<tr><td>3</td><td>Investor</td><td>[__]</td></tr>
<tr><td>4</td><td>Investment details</td><td>The Investor intends to make an aggregate investment of INR [__] (Investment Amount) for a [__]% stake in the Company on a fully diluted basis (including an ESOP pool of [__]%). The Company shall issue [__] Compulsorily Convertible Preference Shares (Series A CCPS) to the Investor. [The Company shall in addition to the Series A CCPS also issue [__] number of equity shares to the Investor.]</td></tr>
<tr><td>5</td><td>Shareholding Pattern</td><td>The broad shareholding pattern of the Company as on the Closing Date (on a fully diluted basis) will be:
<table>
<tr><th>Shareholder</th><th>Percentage holding</th></tr>
<tr><td>Founders</td><td>[__]%</td></tr>
<tr><td>Other shareholders</td><td>[__]%</td></tr>
<tr><td>ESOP Pool</td><td>[__]%</td></tr>
<tr><td>Investor</td><td>[__]%</td></tr>
<tr><td>Total</td><td>100.00%</td></tr>
</table></td></tr>
<tr><td>6</td><td>Use of Proceeds</td><td>As per the business plan to be agreed with the Investor.</td></tr>
<tr><td>7</td><td>Definitive Agreements</td><td>Parties will enter into binding agreements within [__] days from the date of signing of this Term Sheet, unless mutually extended in writing. The binding agreements will include a [Subscription Agreement and a Shareholders' Agreement]/[Investment Agreement].</td></tr>
<tr><td>8</td><td>Conditions Precedent to Closing</td><td>The Definitive Agreements will specify conditions precedent that will need to be completed to the satisfaction of the Investor, prior to closing of the transaction contemplated by this Term Sheet (Closing).</td></tr>
<tr><td>9</td><td>Board and Observer Rights</td><td>On and from the Closing, the Board of Directors of the Company (Board) will comprise of [__] directors. The Investor will have the right to nominate [__] director(s), the Founder will have the right to nominate [__] director(s), and an independent director will be appointed with the consent of the Investor. [The initial Investor nominee will be [__] and the initial Founder nominee will be [__]].

[In addition,] the Investor will have the right to nominate a non-voting observer on the Board or any committee constituted by the Board.</td></tr>
</table>

Sl. No.	Key term	Particulars
10	**Reserved Matters**	In addition to any voting requirement under law, the matters specified in ***Annexure I*** to this Term Sheet will require the express consent of the Investor.
11	**Exit**	Founders and the Company will facilitate an exit for the Investor by way of a Qualified IPO, third party sale or in any other manner, as provided below.
12	**Qualified IPO**	Within [5] years from the Closing, the Company and Founders will facilitate an IPO, which will (i) provide the Investor a minimum [__%IRR] on the Investment Amount] /a minimum of [__x] of the Series A price per share (subject to stock splits, dividends, consolidations and the like)]; (ii) gross proceeds from the IPO of INR [__]; and (iii) listing of the Company's securities on the NSE, BSE or any other internationally recognized stock exchange acceptable to the Investor.
13	**Third Party Sale**	If the Company has not completed a QIPO within [5] years from Closing, then at any time thereafter, on the written request of the Investor, the Company and Founders will cause the sale of the Investor's stake [at a price and on terms acceptable to the Investor]/[at a minimum [__%IRR] on the Investment Amount]/at a minimum of [__x] of the Series A price per share (subject to stock splits, dividends, consolidations, etc.) and other terms acceptable to the Investor]. Such sale will be completed within 120 days of the request from the Investor.
14	**Buy-Back**	If the Company has not completed a QIPO within [5] years from Closing, then at any time thereafter, the Investor will have the right to require the Company to buy-back all or part of its shareholding [at a minimum [__%IRR] on the Investment Amount]/at a minimum of [__x] of the Series A price per share (subject to stock splits, dividends, consolidations, etc.)]
15	**Put Option**	If the Company has not completed a QIPO within [5] years from Closing, then at any time thereafter, the Investor will have a 'put' option on the Founders for all the Series A CCPS held by it. The Founders will be required to purchase the Series A CCPS [at an [__%IRR] on the Investment Amount]/ at [__x] of the Series A price per share (subject to stock splits, dividends, consolidations, etc.)]
16	**Drag Along**	If the Company has not completed a QIPO within [5] years from Closing, then at any time thereafter, the Investor will have the right to 'drag along' all the other security holders of the Company to facilitate an exit for the Investor.
17	**Liquidation Preference**	Upon the occurrence of a 'Liquidity Event', the Investor will be entitled to receive, from the proceeds of such event, in preference to holders of equity shares or securities convertible into equity shares, an amount equal to [100%] of the amounts invested by it plus any declared but unpaid dividends. Following full payment of the liquidation preference amount above to

Sl. No.	Key term	Particulars
		the Investor, any remaining proceeds from such event will be distributed pro rata amongst the holders of equity shares and preference shares of the Company (on an as-converted basis). 'Liquidity Event' will include (i) a dissolution or winding up of the Company; or (ii) sale, transfer, consolidation, merger or any other transaction, which results in a change of control and/or a disposal of all or substantially all of the assets of the Company (including IPR).
18	**Conversion**	Series A CCPS (together with accrued but unpaid dividends) may be converted at any time, at the option of the Investor into equity shares of the Company. Standard automatic conversion provisions will apply on the occurrence of a QIPO or on the expiry of [__] years.
19	**Anti-dilution**	Conversion ratio for Series A CCPS will be adjusted on a [full ratchet]/[broad-based weighted-average basis] in the event of an issuance of equity shares or securities convertible into equity shares below the Series A Share price, subject to customary exceptions.
20	**Pre-emptive Right**	In any future issuance of equity or equity-linked securities, the Investor will have right to participate on a pro rata basis, subject to customary exceptions.
21	**[Founder Stock Vesting]**	[All shares held by the Founders will vest over [4] years from Closing with a minimum one-year 'cliff'. Appropriate escrow mechanisms will be put in place to give effect to the agreed vesting terms for Founders.]
22	**[Employee Stock Option Plan]**	The Company will grant ESOPs in accordance with the ESOP plan adopted by the Board.
23	**Founder lock-in**	Founder(s) will not be entitled to transfer their shares without the prior approval of the Investor.
24	**Employment Agreements**	Founders and key management will enter into employment agreements with appropriate non-compete, non-solicit and IP assignment provisions.
25	**Non-compete and Non-Solicit**	Founders will also provide customary non-compete and non-solicit undertakings in the Definitive Agreements.
26	**Investor's right to transfer**	The Investor will have the right to freely transfer its shares.
27	**Right of First Refusal**	The Investor will have the right of first refusal to purchase all or any securities proposed to be sold by any Founders or other shareholders at the same price and terms as offered to a proposed purchaser.
28	**Tag Along**	The Investor will have the right to sell up to all its shares if a Founder/other shareholder proposes to sell all or a portion of their shares. Such right will be exercisable on the same terms and price offered by the proposed purchaser to the Founder/other shareholder.
29	**Events of Default**	The Definitive Agreements will set out customary events of default and consequences. The events of default will include breach of any

Sl. No.	Key term	Particulars
		provisions of the Definitive Agreements by the Founders or the Company.
30	**[Registration Rights]**	[The Investor will have standard demand registration rights and piggyback rights in relation to its shares.]
31	**Representations, Warranties & Covenants**	Standard representations, warranties, covenants from the Company and Founders to the Investor.
32	**Indemnification**	Standard indemnities from the Company and Founders to the Investor.
33	**Voting Rights**	The Investor will have the right to vote pro-rata to their shareholding on an as if converted basis.
34	**Directors Indemnification**	The Company's charter documents to provide for the indemnification of officers and directors to the fullest extent permitted by law.
35	**D&O Insurance**	The Company will obtain appropriate D&O insurance for members of its Board of Directors.
36	**Information and Inspection**	The Company will deliver to the Investor the information and documents referred to in ***Annexure II***. The Investor will also be entitled to inspection and audit rights subject to providing reasonable notice.
37	**MFN/No Superior Rights**	Other than as expressly agreed otherwise in writing, the rights of the Investor will not be less favorable than any other shareholder of the Company.
38	**Expenses**	All costs and expenses in connection with the transaction contemplated herein (including consultancy/advisory fees, stamp duty or other statutory charges) will be borne by the Company.
39	**Exclusivity**	For a period of [__] days from the date hereof, the Company and the Founders agree that they will not, directly or indirectly, discuss, or continue to discuss, negotiate or enter into any agreement with any third party for the purpose of raising capital.
40	**Confidentiality**	Except as otherwise agreed with the other parties, each party agrees not to disclose the provisions this term sheet or its existence to anyone other than its employees, officers, directors and advisors.
41	**Dispute Resolution**	The laws of India will govern this term sheet and the Definitive Agreements executed pursuant to it. All disputes between parties in relation to this term sheet will be subject to arbitration by a sole arbitrator/ panel of three arbitrators under the _____ rules of the [__]. The venue of the arbitration will be [__]. [Subject to the arbitration provision above, all disputes between parties in relation to this term sheet will be subject to the exclusive

Sl. No.	Key term	Particulars
		jurisdiction of courts in [__]. The Definitive Agreements will set out a dispute resolution mechanism for any dispute arising out of the Definitive Agreements.

[THE REST OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

SIGNATURE PAGE TO THE TERM SHEET DATED [__] BETWEEN [__],[__] AND [__]

[COMPANY]

_____
[Name]
Authorised Signatory

[FOUNDERS]

_____
[Name]

_____
[Name]

[INVESTOR]

_____
[Name]
Authorised Signatory

ANNEXURE I

RESERVED MATTERS

(i) Altering rights of any class of securities of the Company;
(ii) Merger, demerger, comprise or any arrangement with creditors, sale or transfer of any assets or business and any restructuring;
(iii) Any Liquidity Event;
(iv) Any public issue or public listing of the Company's securities;
(v) Any amendment of the charter documents of the Company;
(vi) Any modifications to the capital structure including issue of any new shares, conversion of any loan into equity, creation of warrants or other convertible securities, buybacks, reduction of share capital;
(vii) Creation of any subsidiary;
(viii) Declaring dividends, payment of any 'deemed dividend', approving any other distribution to the shareholders;
(ix) Creation or modification of any employee stock option pool or other equity incentive plan and approval of any option or incentive grants;
(x) Acquisition of any securities or voting power in any other entity;
(xi) Adoption or modification of the annual business plan;
(xii) Any related party transactions and approval of any payments under related party transactions;
(xiii) Adoption of financial statements;
(xiv) Entering into any new line of business or modifying or terminating any existing line of business;
(xv) Any acquisition, purchase, sale, transfer, licensing, sub-licensing, franchising or assignment of brands or other intellectual property rights;
(xvi) Changing the board composition or creation/modification of any committee of the Board and their terms of reference;
(xvii) Transfer of shares by Founders and other equity shareholders;
(xviii) Raising or incurring any indebtedness (including any contingent liability) above a cumulative limit of INR [__] at any time;
(xix) Repayment or prepayment of any creditors (other than sundry creditors);
(xx) Entering into any JV, strategic alliance, technical collaboration, profit sharing arrangement or other similar arrangement with any third party;
(xxi) Acquisitions of any assets in excess of INR [__] on a cumulative basis, in any financial year (unless already approved by the Investor in the annual business plan);
(xxii) Disposal of any assets in excess of INR [__] on a cumulative basis, in any financial year;
(xxiii) Appointment or change of the statutory or internal auditors of the Company;
(xxiv) Changes to accounting or tax policies or practices (other than those required by law);
(xxv) Any decision to relating the appointment or termination of identified key management employees (including CXO level employees and designated business heads) or a change in terms of their employment (including compensation);
(xxvi) Commencement or defense of any material litigation (including any litigation involving an amount in excess of [__]);
(xxvii) All the above with respect to each subsidiary of the Company; and
(xxviii) Any other matter specified in the Definitive Agreements.

ANNEXURE II

INFORMATION/DOCUMENTS TO BE PROVIDED BY THE COMPANY AND FOUNDERS

(i) Audited annual financial statements within [__] days after the end of each financial year audited by an auditor acceptable to the Investor;
(ii) Unaudited quarterly financial statements within [__] days of the end of each quarter end;
(iii) MIS for every calendar month in a form acceptable to the Investor within [__] days of the following month;
(iv) Annual business plan for a financial year in a form acceptable to Investor, at least [__] days prior to the commencement of such financial year;
(v) An annual compliance certificate (in a form acceptable to Investor) signed by an officer of the Company acceptable to the Investor; and
(vi) Any other information/documents reasonably requested by the Investor.