**Term Sheet for Potential Investment in** [-]

Indicative non-binding (except for terms expressly noted as binding) term sheet (“**Term Sheet**”) with respect to a potential investment by [-] ( “**Investor”**) in [-] (“**Company**”) managed and run by its founders [-] and [-] (individually “**Founder**”, collectively the “**Founders**”). The Company, Founders, and Investor are collectively referred to as “**Parties**” and individually as a “**Party**”. The detailed terms of the proposed investment will be set forth in the definitive agreements relating to the investment (“**Definitive Agreements**”).

| **Investment Amount** | USD [-] Mn (“**Investment Amount**”) for subscription to Series A CCPS and nominal number of equity shares (“**Investor Shares**”). The pre-money valuation of the Company is USD [-] Mn. The Investor Shares will be entitled to all voting, dividend and other shareholder rights.  The round will be open upto another [-] Mn. |
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| **Conditions Precedent and Closing** | Company and Founders to target Closing within [-] days from the execution of the Term Sheet (“**Closing Date**”). Closing will be subject to fulfilment of customary closing conditions (“**Conditions Precedent**”) to the satisfaction of Investor, including financial and legal due diligence and resolution of all issues noted therein. |
| **Investor Rights** | Investor will have standard investor protection rights detailed in the Definitive Agreements, including but not limited to  (i) affirmative vote rights over all major decisions;  (ii) right to appoint and replace one Board nominee to the Board of directors[[1]](#footnote-0) and one Board observer;  (iii) quorum right over all Board, shareholder and committee meetings;  (iv) right of first refusal over all proposed share transfers;  (v) anti-dilution right (broad based weighted average);  (vi) pre-emption right;  (vii) tag along right;  (viii) liquidation preference (1x of Investment Amount or pro-rata whichever is higher);  (ix) information and inspection rights;  (x) no restrictions on transfer of shares or rights;  (xi) all additional rights that any future investor is offered in the Company. |
| **Founder share restrictions and obligations** | Founder shares subject to[-] year vesting with 1 year cliff and rest released annually subject to continued employment. Subject to vesting, no transfer of released shares without prior Investor consent and subject to ROFR and Tag. Non-compete and non-solicit obligations will apply on the Founders. |
| **Exit Rights** | The Company and Founders will complete within [-] years from the Series A Closing Date (“**Exit Period**”) a listing and an initial public offering (“**Qualified IPO**”). In case Qualified IPO is not completed within the Exit Period the Investor may require exit through one or more of the following strategic sale, buy-back from the Company and/or Founders or trade sale. The Investor can also drag the Founders in a transfer after the Exit Period. Subject to Applicable Law, exit will be at a higher of 1x of Investment Amount or fair market value whichever is higher. There will be accelerated exit right in case of breach by Company/Founders. |
| **Representations, Warranties & Indemnification** | The Company and Founders (jointly/individually and severally as required) will make representations, warranties and indemnities customary in transactions of this type. |
| **Expenses** | The Company shall bear all out of pocket costs and expenses incurred by Investor in relation to all the activities hereunder, including but not limited to the fees of Investor’s counsel, auditors and advisors, up to a maximum of INR [-] lakhs. Company will not bear this expense in case deal doesn’t close. This is a binding clause of the Term Sheet. |
| **Governing Law and Dispute Resolution** | This term sheet and the Definitive Agreements shall be governed by the laws of India. Any disputes shall be resolved by arbitration under the Indian Arbitration and Conciliation Act, 1996 and the seat of arbitration shall be Delhi. This is a binding clause of the Term Sheet. |
| **Confidentiality** | The terms and conditions of this Term Sheet and the relevant Investor’s proposed financing shall be confidential information and the Company and the Founders shall not disclose the same to any third party. No press release relating to this Term Sheet shall be made by the Company or the Founders. This is a binding clause of the Term Sheet. |
| **Exclusivity** | After signing this Term Sheet, the Company and Founders undertake that they shall not, for a period of [-] days, severally or jointly, directly or indirectly, approach any other investor, solicit any offers, engage in any discussions, or enter into any agreements or commitments with respect to equity or equity-linked investment in the Company that does not involve the Investor. This is a binding clause of the Term Sheet. |
| **Validity** | This offer is valid subject to the Term Sheet being signed and returned to Investor by [-] IST on [-]. |
| **ESOP pool creation** | The company will create an ESOP pool amounting to [-]% of outstanding shares on a fully diluted basis. |

1. [↑](#footnote-ref-0)