

LIMITED EPACK PREFAB TECHNOLOGIES LIMITED EPACK PREFAB TECHNOLOGIES LIMITED EPACK PREFAB TECHNOLOGIES LIMITED EPACK PREFAB TECHNOLOGIES

SHAREHOLDERS' AGREEMENT

AMONG

EPACK PREFAB TECHNOLOGIES LIMITED

AND

PROMOTERS

AND

PROMOTER AFFILIATES

AND

SOUTH ASIA GROWTH FUND III HOLDINGS LLC

AND

SOUTH ASIA EBT TRUST III

18 December 2024

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SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (the **Agreement**) executed on this 18th day of December 2024 (the **Agreement Date**) at Noida, Uttar Pradesh by and among:

1. **EPACK PREFAB TECHNOLOGIES LIMITED** (formerly known as EPACK Polymers Private Limited), a public company with corporate identity number U74999UP1999PLC116066, incorporated under the Companies Act, 1956 and having its registered office at 61-B, Udyog Vihar Surajpur, Kasna Road, Gautam Buddha Nagar, Greater Noida, Uttar Pradesh, India – 201306 (hereinafter referred to as the **Company**, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);
2. **THE PERSONS LISTED IN PART A OF SCHEDULE 1 HERETO** (hereinafter referred to collectively as the **Promoters**, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include their respective heirs, executors and administrators or successors and permitted assigns (as applicable));
3. **THE PERSONS LISTED IN PART B OF SCHEDULE 1 HERETO** (hereinafter referred to collectively as the **Promoter Affiliates**, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include their respective heirs, executors and administrators or successors and permitted assigns (as applicable));
4. **SOUTH ASIA GROWTH FUND III HOLDINGS, LLC**, a limited liability company incorporated in the United States of America with its registered office at 2140, South Dupont Highway, Camden, Delaware – 19934 (**SAGF III** or the **Investor 1** which expression shall, unless it be repugnant to the subject or context or meaning thereof, be deemed to mean and include its successors and permitted assigns of Investor 1 or its Affiliates or both); and
5. **SOUTH ASIA EBT TRUST III**, a trust established under the laws of India, with its office at C/O Orbis Trusteeship Services Private Limited, 4A Ocus Technopolis, Sector 54, Golf Club Road, Gurugram 122002 and through its trustee being Orbis Trusteeship Services Private Limited with its registered office at 4A Ocus Technopolis, Sector 54, Golf Club Road, Gurugram 122002 (**EBT** or the **Investor 2**) (together with SAGF III, the **Investors**, which expression shall, unless it be repugnant to the subject or context or meaning thereof, be deemed to mean and include its successors and permitted assigns of Investor 2 or its Affiliates or both).

In this Agreement, the Company, the Promoters, the Promoter Affiliates and the Investors are collectively referred to as the **Parties** and the term **Party** refers to any of them individually.

WHEREAS:

- A. The Company is a private limited company under the Act (as defined below) and is engaged in the Business (as defined below).
- B. The authorised Share Capital (as defined below) of the Company as on the Agreement Date is INR 24,00,00,000 (Indian Rupees Twenty Four Crore) divided into 11,00,00,000 (Eleven Crore) Equity Shares (as defined below) of face value INR 2 (Indian Rupees Two) each and 1,00,00,000 (One Crore) preference shares of face value INR 2 (Indian Rupees Two) each. The issued and paid-up Share Capital of the Company as on the Agreement Date is INR 15,50,16,000 (Indian Rupees Fifteen Crore Fifty Lakh and Sixteen Thousand) divided into 7,75,08,000 (Seven Crore Seventy Five Lakh and Eight Thousand) Equity Shares.
- C. As on the Agreement Date, the Promoters, along with the members of the Promoter Group, as listed in Schedule 1, collectively own and hold (directly and indirectly) 100% (One Hundred per cent.) of the issued and paid-up Share Capital of the Company on a Fully Diluted Basis (as defined below), in the proportion set out in Schedule 1 hereto.

- D. The Investors propose to subscribe for a certain number of CCPS (as defined in the Share Subscription and Purchase Agreement) in the Company and acquire from the Sellers (as defined in the Share Subscription and Purchase Agreement) a certain number of Equity Shares of the Company (collectively, the **Investor Securities**), and the Company proposes to issue CCPS, and the Sellers propose to sell certain Equity Shares to the Investors on the terms set out in the Share Subscription and Purchase Agreement.
- E. The Parties are entering into this Agreement to record the terms and conditions regulating the relationship among the Parties and their rights and obligations in relation to the investment by the Investors in the Company and certain matters incidental thereto.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. DEFINITIONS

In this Agreement, except where the context otherwise requires, the following terms shall have the meanings ascribed to them below:

ABC Framework has the meaning given to such term in Clause 10.2.5;

Accounting Principles mean in relation to the Company and each Subsidiary (existing or future), the generally accepted accounting principles / accounting standards applicable in India as applicable, as in effect on the Agreement Date, complying with the Companies (Accounting Standards) Rules, 2006, or the Companies (Indian Accounting Standards) Rules, 2015, as applicable and amended from time to time to the extent in force;

Act means the Companies Act, 2013, together with all rules, regulations, circulars, notifications, clarifications and orders issued by a Governmental Authority in respect of the foregoing, each of the above, as amended, modified, supplemented or re-enacted from time to time;

Additional Sale has the meaning given to such term in Clause 7.15;

Additional Sale Notice has the meaning given to such term in Clause 7.14;

Additional Sale Right has the meaning given to such term in Clause 7.15;

Additional Sale Securities has the meaning given to such term in Clause 7.14;

Affiliate means, in relation to any Person, any entity Controlled, directly or indirectly, by that Person, or any entity that Controls, directly or indirectly, that Person, or any entity under common Control, directly or indirectly, with that Person and in the case of a natural Person includes any individual that is such natural Person's relative (as such term is defined under the Act). It is hereby clarified that in relation to the Investors, an "Affiliate" shall be deemed to include: (a) any general or limited partner of the Investors; and (b) any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership), special purpose or other vehicle or any subsidiary or affiliate of any of the foregoing, which is managed by the investment manager of the Investors, whether on the date of this Agreement or in the future and in which any member of the Investors or a general or limited partner of the Investors is either a member of or also a general or limited partner of such entity, but shall, in each of the above cases, not include portfolio companies or portfolio entities of the Investors, if they are not Controlled by the Investors. For the purpose of this definition, the Investors shall not be deemed to be Affiliates of the Company or its Subsidiaries (existing or future);

Agreement Date has the meaning given to such term in the Preamble to this Agreement;

Alternate Director has the meaning given to such term in Clause 3.2.3;

Anti-Corruption Law means all laws, rules, regulations, policies and procedures concerning or relating to bribery, corruption or money laundering, including, without limitation, the Prevention of Corruption Act, 1988, the US Foreign Corrupt Practices Act 1977, the UK Bribery Act, 2010, Prevention of Money Laundering Act, 2002 of India, the U.S. Currency and Foreign Transaction Reporting Act of 1970, the U.S. Money Laundering Control Act of 1986, and other similar legislations in any applicable jurisdiction;

Applicable Law(s) means any statute, law, regulation, ordinance, rule, judgment, order, decree, approval, directive, guideline, policy, listing agreement or other governmental restriction or any similar form of decision, or determination by, any Governmental Authority, in each case as in effect from time to time;

Big Six Accounting Firms means any one of the following accounting firms or any of their respective Indian Affiliates:

- (a) Deloitte Touche Tohmatsu;
- (b) Ernst & Young;
- (c) KPMG;
- (d) PriceWaterhouseCoopers;
- (e) BDO Global; and
- (f) Grant Thornton Bharat LLP;

Board of Directors or **Board** means the board of directors of the Company and / or its Subsidiaries (existing or future), as the case may be;

Bothra Promoters means collectively, Leela Devi Bothra, Nikhil Bothra, Suman Bothra, Laxmi Pat Bothra, Nitin Bothra, Rajjat Kumar Bothra, and Bajrang Bothra.

Business means the business of the Company and its Subsidiaries of the: (i) manufacture and installation of pre-engineered buildings, prefabricated structures and building materials including insulation materials; and (ii) manufacture of expanded polystyrene for packaging products;

Business Day(s) means any day on which banks generally are open in New Delhi (India) and Delaware, United States of America for the transaction of normal banking business but does not include public holidays and Saturdays and Sundays;

Business Plan has the meaning given to such term in Clause 4.2;

Charter Documents means the certificate of incorporation, memorandum of association and the articles of association of the Company or any Subsidiary, as applicable;

Closing Date has the meaning given to such term in the Share Subscription and Purchase Agreement;

Committees has the meaning given to such term in Clause 3.2.7;

Company has the meaning given to such term in the Preamble to this Agreement;

Controlled by, or Control(s) with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, by agreement or otherwise or the power to elect more than one-half of the directors, partners or other individuals exercising similar authority with respect to such Person;

Corporate Governance Action Plan means the plan implemented by the Company in a form and manner mutually agreed between the Investors and the Promoters and attached as Schedule 6 (*Corporate Governance Action Plan*) hereto;

Cure Period has the meaning given to such term in Clause 11.2.1;

Debt means any indebtedness, in each case without duplication, as applied to any Person:

- (a) all amounts outstanding in respect of any borrowed money, including debentures or bonds;
- (b) that portion of obligations with respect to capital leases that is properly classified as a liability on a balance sheet in conformity with Accounting Principles;
- (c) any obligation owed for all or any part of a deferred purchase price of or payment for real estate;
- (d) all guarantees of any nature extended by such Person with respect to indebtedness of any other Person; and
- (e) all indebtedness and obligations of the type described in the foregoing paragraphs (a) through (d) in relation to another Person but that is secured by an Encumbrance on any property or asset owned or held by such first mentioned Person;

Default Notice has the meaning given to such term in Clause 11.2.1;

Director means a member appointed from time to time on the Board in accordance with this Agreement and / or the Charter Documents;

Dispute has the meaning given to such term in Clause 18.14.1;

Disputing Party has the meaning given to such term in Clause 18.14.1;

Effective Date has the meaning given to such term in Clause 2.1.1;

E&S Requirements has the meaning given to such term under Appendix 1 of Schedule 7 (*Code of Responsible Investing*);

Encumbrance(s) means any mortgage, pledge, charge (whether fixed or floating), hypothecation, lien or any other security interest, and shall include 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;

Entry Valuation means INR 184 divided by the Milestone Conversion Ratio (as defined in the Share Subscription and Purchase Agreement);

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

Equity Securities means the Equity Shares and any capital instruments (including the CCPs, compulsorily convertible debentures or preference shares or debentures or warrants or other securities) issued by the Company or any employee stock options granted by the Company to employees and / or Directors in accordance with Applicable Law under an employee stock

option scheme, convertible into (whether or not compulsorily convertible), exercisable or exchangeable for Equity Shares;

Equity Shares means equity shares of face value INR 2 (Indian Rupees Two) each issued by the Company to its Shareholders;

ESA Law(s) means all Applicable Law, consents and approvals of applicable Governmental Authorities concerning environmental, social, labour, health and safety or security risks, including of the type specified under the ESA Plan or imposing liability for the breach thereof;

ESA Plan means the plan implemented by the Company: (a) in a form and manner mutually agreed between the Investors and the Promoters and attached as Schedule 5 (*ESA Plan*) hereto; (b) which sets out the specific environmental, social, labour, health and safety or security and environmental measures to be undertaken by the Company; (c) to enable the Business of the Company to be equipped, operated and undertaken in compliance with the performance standards under the applicable ESA Law; and (d) which may be revised, from time to time, in accordance with Clause 12.

ESMS means the environmental and social management systems set up or to be set up by the Company in accordance with Schedule 7 (*Code of Responsible Investing*);

ESOP means employee stock option plans;

Exit Cut Off Date has the meaning given to such term in Clause 6.3.3;

Exit Purchaser has the meaning given to such term in Clause 7.13;

Financial Investor(s) means any of the following or their respective Affiliates:

- (a) foreign institutional investors or foreign portfolio investors and their sub-accounts registered with the Securities and Exchange Board of India;
- (b) funds (including mutual funds, venture capital, hedge funds, balanced, private equity, buy-out funds, proprietary funds of banking companies primarily in the business of making investments) and companies engaged primarily in the business of making investments; and
- (c) any Person or pension fund, foundation fund or corporate fund that makes any investment in the nature of private equity investment(s);

Financial Statements means, in case of any Financial Year, the consolidated audited financial statements of a company for such Financial Year (unless otherwise specified), and for any other period, the consolidated unaudited financial statements of a company (unless otherwise specified), from the beginning of such period until the end of that period; provided that the Financial Statements shall: (a) be prepared in accordance with the Accounting Principles that are consistently applied; and (b) always include without limitation, the balance sheet and profit and loss account, the notes to the financial statements, directors report (in case of audited financial statements), the auditor's report (in case of audited financial statements) and, where such company is incorporated in India, all disclosures as prescribed under the Act;

Financial Year(s) means the period commencing April 1 each year and ending March 31 of the following year;

First Adjourned General Meeting has the meaning given to such term in Clause 3.3.2 (b);

First Adjourned Meeting has the meaning given to such term in Clause 3.2.12 (i);

FMV has the meaning given to such term in Clause 7.9;

Fully Diluted Basis means, with respect to any calculation of the number of Equity Shares, calculated as if: (a) all Equity Securities outstanding on the date of such calculation have been exercised or exchanged for or converted into Equity Shares; and (b) all Equity Securities required to be issued pursuant to contractual or other obligations have been issued and as relevant, have been exercised, or exchanged for or converted into Equity Shares;

Governmental Authority means any government authority, statutory authority, regulatory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on each of the Parties or any one Party or any state or other subdivision thereof or any municipality, district or other subdivision thereof;

Identified Internal Auditors, until the 2nd (second) anniversary of the Closing Date, includes the Big 6 Accounting Firms, Talati and Talati and Singhi & Co., and only the Big 6 Accounting Firms thereafter;

Identified Statutory Auditors, until the 2nd (second) anniversary of the Closing Date, includes the Big 6 Accounting Firms, Singhi & Co. and Talati and Talati, and only the Big 6 Accounting Firms thereafter;

INR means Indian Rupees, being the lawful currency of India;

Investors has the meaning given to such term in the Preamble to this Agreement;

Investor Nominee Director has the meaning given to such term in Clause 3.2.2 (a);

Investor Pre-emption Shares has the meaning given to such term in Clause 5.4;

Investor Securities has the meaning given to such term in Recital D;

IPO Deadline Date has the meaning given to such term in Clause 7.2;

Issuance Notice has the meaning given to such term in Clause 5.2;

Issuance Price has the meaning given to such term in Clause 5.2;

Key Managerial Personnel means the persons listed in Schedule 2;

Liquidation Event with respect to the Company means the passing of an order under Section 33 of the Insolvency and Bankruptcy Code, 2016 requiring the Company to be liquidated;

Liquidity Event with respect to the Company means: (a) all Exit events as specified in Clause 7; and (b) sale of all or substantially all of the assets of the Company;

Liquidation Preference Amount has the meaning given to such term in Clause 8.1;

Losses means any and all direct losses, liabilities, , fines, penalties, Taxes, fees, settlements, , damages (whether or not resulting from third party claims), charges, costs (including reasonable costs of investigation, remediation or other response actions), interests, attorneys' and accountants' reasonable fees and disbursements, which result from any Losses that may be made against or incurred by the Company but does not include any remote, consequential or

indirect losses or damages of any kind. It is hereby clarified that that any Loss suffered by the Company shall be deemed to be a Loss suffered by the Investors to the extent of their shareholding in the Company, on a Fully Diluted Basis;

New Securities has the meaning given to such term in Clause 5.1;

Observer has the meaning given to such term in Clause 3.2.2 (e);

Party has the meaning given to such term in the Preamble to this Agreement;

Person means any natural person, limited or unlimited liability company, corporation, partnership firm (whether limited or unlimited), proprietorship firm, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as an entity under Applicable Law;

Promoter Group means the Promoters and the Promoter Affiliates and their respective Affiliates;

Promoters has the meaning given to such term in Part A of Schedule 1;

Proposed Issuance has the meaning given to such term in Clause 5.2;

Purchaser has the meaning given to such term in Clause 7.9;

Recognised Stock Exchange means the BSE Limited or the National Stock Exchange of India Limited in India;

Related Party in relation to any Person, means any other Person who is considered as a related party of the first Person under the Act;

Remaining Promoter ROFO Securities has the meaning given to such term in Clause 6.3.2 (c);

Remaining ROFO Securities has the meaning given to such term in Clause 6.2.4 (c);

Request has the meaning given to such term in Clause 18.14.1;

Reserved Matters has the meaning given to such term in Clause 4;

Right of First Offer has the meaning given to such term in Clause 6.2.3;

ROFO Investor Response Period has the meaning given to such term in Clause 6.3.2 (d);

ROFO Participation Notice has the meaning given to such term in Clause 6.2.4 (b) (i);

ROFO Price has the meaning given to such term in Clause 6.2.4 (b) (i);

ROFO Promoter Participation Notice has the meaning given to such term in Clause 6.3.2 (b) (i);

ROFO Promoter Price has the meaning given to such term in Clause 6.3.2 (b) (i);

ROFO Promoter Purchase Period has the meaning given to such term in Clause 6.3.2 (f);

ROFO Promoter Rejection Notice has the meaning given to such term in Clause 6.3.2 (b) (ii);

ROFO Promoter Transfer Notice has the meaning given to such term in Clause 6.3.2 (a);

ROFO Promoter Transfer Securities has the meaning given to such term in Clause 6.3.2 (a);

ROFO Purchase Period has the meaning given to such term in Clause 6.2.4 (f);

ROFO Rejection Notice has the meaning given to such term in Clause 6.2.4 (b) (ii);

ROFO Response Period has the meaning given to such term in Clause 6.2.4 (d);

ROFO Selling Investor has the meaning given to such term in Clause 6.3.2 (a);

ROFO Selling Investor Acceptance Notice has the meaning given to such term in Clause 6.3.2 (d);

ROFO Selling Promoter has the meaning given to such term in Clause 6.2.4 (a);

ROFO Selling Promoter Acceptance Notice has the meaning given to such term in Clause 6.2.4 (d);

ROFO Transfer Notice has the meaning given to such term in Clause 6.2.4 (a);

ROFO Transfer Securities has the meaning given to such term in Clause 6.2.4 (a);

Rules has the meaning given to such term in Clause 18.14.2;

Safety Measures has the meaning given to such term in Clause 12.4;

Sanctioned Person means any Person that is described or designated on any prohibited parties' list maintained by US, UK, EU and India and any other country (to the extent the laws of such country may be applicable to the Promoter, the Company, the Group Companies and the Business) or by the Financial Action Task Force (FATF), and the United Nations Security Council 1267 Committee's List of Terrorists and Supporters of Terrorism;

Sanctions means any economic or financial sanctions, trade embargoes and / or export controls imposed, administered, or enforced from time to time by (a) the OFAC, the US Department of State (b) the United Nations, (c) the European Union or any member state thereof; (d) the United Kingdom, (e) Canada, or (f) any other national economic sanctions authority as may have authority over the Investors or the Company;

Secondary Sale has the meaning given to such term in Clause 7.9;

Secondary Sale Price has the meaning given to such term in Clause 7.9;

Securities has the meaning given to such term in the Share Subscription and Purchase Agreement;

Share Capital means the share capital of the Company;

Share Subscription and Purchase Agreement means the share subscription and share purchase agreement entered into among the Company, Promoters, Investors and the Sellers therein on or about the date of this Agreement;

Shareholder(s) means a Person who holds any Equity Shares and in whose name any Equity Shares are registered in the Company's register of members, and includes a Person who holds CCPSs, where the context so requires;

Shareholding Percentage means, with respect to any Shareholder, the percentage arrived at considering the shareholding of such Person in the paid up Equity Share Capital of the Company on a Fully Diluted Basis;

Singhania Promoters means collectively Sanjay Singhania, Ajay Singhania, Avishi Singhania, Divisha Singhania, Preity Singhania, Pinky Ajay Singhania, Drishikka Singhania, Arshia Singhania, Araanya Singhania and the Sanjay Preity Singhania Trust.

Social Law(s) means any common or statutory law, regulation, directive or other law, binding statutory guidance and the like applicable in India, relating to labour management issues including occupational health and safety, child labour, minimum wage standards and / or other applicable statutory labour Laws in India;

Subsidiaries has the meaning given to it under the Act, and shall include all existing and future subsidiaries of the Company;

Tag Acceptance Notice has the meaning given to such term in Clause 6.2.5 (d);

Tag Along Right has the meaning given to such term in Clause 6.2.5 (a);

Tag Response Period has the meaning given to such term in Clause 6.2.5 (d);

Tag Shares has the meaning given to such term in Clause 6.2.5 (c) (ii);

Trade Sale has the meaning given to such term in Clause 7.13;

Transaction Documents means this Agreement, the Share Subscription and Purchase Agreement, the Disclosure Letter and the Updated Disclosure Letter; and

Transfer means any form of transfer and shall include, sale, gift, assignment, creation of a trust or Encumbrance, in each case, whether voluntary or involuntary.

1.2. INTERPRETATION

1.2.1. In this Agreement, unless the context requires otherwise:

- (a) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Agreement;
- (b) any reference to any enactment, rule, regulation, notification, circular or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with or without modification) and includes all instruments or orders made under such enactment;
- (c) words in the singular shall include the plural and vice versa;
- (d) reference to a Clause, Paragraph or Schedule is, unless indicated to the contrary, a reference to a clause or paragraph or schedule of this Agreement;
- (e) the terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in this Agreement mean and refer to this Agreement and not to any particular Clause of this Agreement;
- (f) wherever the word “include,” “includes,” or “including” is used in this Agreement, it shall be deemed to be followed by the words “without limitation”;

(g) the Schedules and Recitals to this Agreement form an integral part hereof and all provisions contained in the Schedules and Recitals shall have effect in a manner as if specifically set forth under this Agreement; and

(h) references to an “agreement” or “document” shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of this Agreement with respect to amendments.

2. TERM AND EFFECTIVENESS

2.1. Term

2.1.1. This Agreement is being executed simultaneously with the execution of the Share Subscription and Purchase Agreement but shall come into effect only if the Closing as envisaged in the Share Subscription and Purchase Agreement occurs and is completed within the time and manner as specified therein. Subject to the foregoing sentence, this Agreement shall come into force and effect simultaneous with occurrence of Closing (the ***Effective Date***).

3. CORPORATE GOVERNANCE

3.1. General

3.1.1. The Promoters and the Investors shall exercise the votes attached to the Equity Securities held by them respectively at any annual or extraordinary general meetings of the Shareholders and shall take all other actions necessary to give effect to the provisions of this Agreement and to maintain the inclusion in the Charter Documents of the rights and obligations of the Shareholders included in this Agreement.

3.1.2. Each of the Shareholders shall cause its nominees on the Board to exercise their voting rights in any Board meetings in conformity with the specific terms and provisions of this Agreement and to give effect to the provisions of this Agreement, subject only to any mandatory provisions of Law as well as fiduciary duties of the members of the Board, as applicable.

3.2. Board of Directors

3.2.1. Authority of the Board

Subject to the provisions of this Agreement and the Act, the Board shall be responsible for the management, supervision and direction of the Company.

3.2.2. Composition of the Board

(a) On and from the Effective Date, subject to Clause 14.3.1, the Investor 1 shall be entitled to nominate and appoint 1 (One) Director (the ***Investor Nominee Director***) who shall be qualified to be appointed as such under Applicable Law. The Investor Nominee Director will be a non-executive Director and will not receive any remuneration or fee or reimbursements.

(b) Subject to Applicable Law, no Person, other than the Investors appointing their Investor Nominee Director, shall have the power or right to remove and replace such Investor Nominee Director. To the extent permissible by Applicable Law, the appointment of the Investor Nominee Director shall be by direct nomination by the Investors collectively, and any appointment or removal, unless the contrary intention appears, shall take effect from the date it is notified to the Company in writing. If Applicable Law does not permit the Person nominated by the Investors to be appointed as a Director or alternate director of the Company merely by nomination by the Investors, then the Company and the Promoters shall ensure that the Board will within 7 (Seven) days of such nomination appoints such Person as a Director or alternate director, as the case may be, of the Company, and further

ensure that, unless the Investors change or withdraw such nomination, such Person shall also be elected as a Director or alternate director, as the case may be, at the next general meeting of the Shareholders. Each Shareholder shall promptly vote in favour of the director and alternate director nominees nominated pursuant to the preceding sentence.

- (c) No Investor Nominee Director shall be designated as an ‘officer who is in default’, the ‘manager’ and / or the ‘occupier’ of any premises used by the Company or such other designation to hold him or her responsible for complying with all Applicable Laws, for and on behalf of the Company, for the purposes of any provisions of the Act, the Factories Act, 1948 and / or any other Applicable Law including Environmental Laws, Social Laws, Laws relating to tax or labour, Anti-Corruption Laws, and all applicable rules / regulations framed thereunder (central or state), or regulations. Without prejudice to the generality of the foregoing, the Investor Nominee Director shall be entitled to all immunities that a non-executive director is entitled to under Applicable Law.
- (d) The Promoters shall have the right to nominate and have appointed all other members on the Board, including any person that may be chairman, managing Director, or executive Director. The Company will also have such number of persons appointed as independent directors or a woman director as may be required under Applicable Law.
- (e) Subject to Clause 14.3.1 (*Fall Away of Rights*), the Investors shall also be entitled to appoint an individual as an observer on the Board (the **Observer**). The Observer will have the right to receive notices of all meetings of the Board and be present at the meetings of the Board. The Observer shall be permitted to speak at such meetings. The Observer’s presence will not however be considered for quorum and the Observer will not have the right to vote on any resolution placed at the meeting of the Board. The Observer will not receive any remuneration from the Company. The Observer shall have the right to receive all information as shall be provided to the Directors subject to execution of appropriate non-disclosure agreement.
- (f) The Investor Nominee Director and the Observer will be bound by obligations of confidentiality and have fiduciary duties as applicable to any member of the Board, provided that the Investor Nominee Director and Observer will be permitted to disclose any information and other documents to the Investors received by him or her in his or her capacity as a Director or observer on the Board.
- (g) The Promoters hereby agree and undertake to vote in favour of appointment of the Investor Nominee Director (as the case may be) as a Director on the Board in the meetings of the Shareholders.

3.2.3. Alternate Director

Each Director shall be permitted to nominate and appoint an alternate director in accordance with the Act (the **Alternate Director**). The Alternate Director may attend all meetings and exercise all voting rights which such originally appointed Director, was entitled to, when such originally appointed Director is not in attendance in accordance with Applicable Laws.

3.2.4. Removal and Replacement of Investor Nominee Director and Observer

The Investors shall procure that the Investor Nominee Director (or the Observer, as the case may be) shall, when the Investors cease to have the right to have such Investor Nominee Director or Observer, as the case may be, resign from the Board and / or any committee of the Board, as a member or as an Observer, without any costs or claims against the Company. The Investors shall, at all times, have the right to seek removal or replacement of the Investor Nominee Director or the Observer, as the case may be. The Investors shall bear, pay or reimburse the Company and the Promoters of, all legal costs and expenses, incurred by them in respect of such dismissal, removal and replacement undertaken at the instructions of the Investors.

3.2.5. Indemnification of Investor Nominee Director

3.2.6. Subject to Applicable Law, the Company shall indemnify, defend and hold harmless the Investor Nominee Director, if he or she was or is made a party, or is threatened to be made a party, to any claim (including any action brought by or in the name of the Company), by reason of the fact that such Investor Nominee Director is or was a Director, or otherwise relating to any action taken or omitted to be taken in such person's capacity as a Director, against all or any claims and Losses; provided, however, that such indemnification shall not apply in respect of any claim or Loss to the extent it is finally judicially determined to have resulted from the gross negligence, wilful misconduct or fraud of such Investor Nominee Director. The indemnification of other Directors or Key Managerial Personnel shall be determined by the Company in accordance with policies adopted by the Board.

3.2.7. Committees of the Board

The Board may constitute an audit committee, compensation committee and such other committees as are required under the Applicable Law or as the Board may consider appropriate (together, referred to as the **Committees**). So long as the Investors have the right to appoint an Investor Nominee Director on the Board, the Investors shall be entitled to require such Investor Nominee Director on the Board to also be appointed as a member of any or all such Committees of the Company or any existing or future Subsidiaries of the Company. So long as the Investors have the right to appoint an Observer on the Board, the Investors shall be entitled to require such Observer to also be appointed as an observer of any or all such Committees.

3.2.8. E&S / Risk Committee

Subject to Applicable Law, the Board shall constitute a risk management and ESG committee (the **RMEC**) to *inter alia* review the Company's adherence to its risk management framework as well as monitor compliance with the relevant Environmental Law, frameworks and the ESA Plan. The indicative terms of reference of the RMEC have been set out in Schedule 8 (*Indicative Terms of Reference of RMEC*).

3.2.9. Directors' and Officers' Liability Insurance

The Company shall obtain and maintain directors' and officers' liability insurance for the Directors on the Board (including Investor Nominee Director) as soon as practicable but not later than 30 (Thirty) days from the Effective Date, for an amount not less than INR 35,00,00,000 (Indian Rupees Thirty Five Crores). The directors' and officers' liability insurance for other Directors or Key Managerial Personnel shall be determined by the Company in accordance with policies adopted by the Board.

3.2.10. Qualification Shares

The Directors shall not be required to hold any qualification shares / securities.

3.2.11. 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, subject to all reasonable restrictions relating to confidentiality and other obligations as imposed by the Board. Each of the members of the Board may also be required to sign appropriate agreements and undertake covenants relating to confidentiality, non-compete, non-conflict and non-solicit obligations as required by the Board.

3.2.12. Day to Day Management of the Company

(a) The day-to-day management of the Company and the Business shall be the responsibility of the Board.

- (b) The Managing Director and / or executive Directors on the Board shall have the right and the responsibility for the day-to-day management of the Company and implementation of the annual Business Plan, as decided by the Board and / or the Shareholders from time to time. Without prejudice to the above, the Board may also pass appropriate resolutions to delegate necessary powers for day-to-day management of the Company to Key Managerial Personnel, subject to the supervision and control of the Board or any member of the Board (such as the Managing Director or any executive Director).

3.2.13. Meetings of the Board

- (a) The Board shall hold at least 4 (Four) meetings every Financial Year and not more than 120 (one hundred twenty) days shall intervene between two consecutive Board meetings.
- (b) At least 7 (Seven) days' prior written notice shall be given to each Director and Alternate Director (while acting as a Director) of each meeting of the Board setting out: (i) the time for the proposed meeting; and (ii) the agenda for the meeting in reasonable detail (including the Reserved Matters to be discussed thereat) and attaching the relevant papers to be discussed at the meeting and all available data and information relating to the matters to be discussed at the meeting.
- (c) The quorum for any meeting of the Board shall be the presence of the minimum number of directors prescribed under the Act or 2 (Two), whichever is higher and which would necessarily include the Investor Nominee Director.
- (d) Each Director may cast 1 (One) vote in a meeting of the Board. The chairman shall not have the right to cast a second and casting vote, in the event of equality of votes.
- (e) Subject to the provisions of Clause 4 (*Reserved Matters*) and any applicable provisions of the Act, decisions of the Board shall be made on the basis of an affirmative vote of the majority of the Directors present or represented at the meeting of the Board.
- (f) To the extent permitted under and in compliance with Applicable Law, any Director may participate in and vote at a meeting of the Board by means of telephone, video conferencing or similar communications equipment which allows all Persons participating in the meeting to hear each other and to record the deliberations. Where any Director participates in a meeting of the Board by any of the means described in the preceding sentence, the Company shall ensure that that Director is provided with a copy of all documents to be referred to during such meeting of the Board before the meeting of the Board commences.
- (g) Any discussions at Board meetings shall be appropriately recorded in the statutory minutes books of the Company in accordance with Applicable Law.
- (h) Subject to the provisions of Clause 4 (*Reserved Matters*) and the Act, a resolution by circulation in writing, executed by or on behalf of a majority of the Directors, shall constitute a valid decision of the Board 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 by the Directors if any, was sent to all of the Directors at their usual address of service or through electronic or other means, and has been approved by a majority of the Directors in writing as are entitled to vote on the resolution.
- (i) If a quorum in accordance with Clause 3.2.13 (c) above is not present within 30 (Thirty) minutes of the scheduled time for any meeting of the Board or cease to exists at any such meeting, unless the prior written consent of the Investor Nominee Director is obtained, such meeting shall be automatically adjourned to the same time on the day falling 7 (Seven) days after the date of the meeting of the Board or any committee of the Company thereof which has been adjourned pursuant to this provision or such other earlier date as may be agreed by the Directors in writing (the **First Adjourned Meeting**), provided there is no alteration

in the agenda for such meeting. If the quorum is not present at the First Adjourned Meeting, such meeting will be automatically further adjourned to the same time on the day falling 7 (Seven) days after the date of First Adjourned Meeting or such other earlier date as may be agreed by the Directors in writing (the **Second Adjourned Meeting**), provided there is no alteration in the agenda for such meeting. If the quorum is not present at the Second Adjourned Meeting, the Directors then present shall constitute a quorum (provided that the Directors present would otherwise constitute a quorum under the Charter Documents and Applicable Law).

3.2.14. No matter in relation to the items specified in Clause 4 and Schedule 4 (*Reserved Matters*) shall be included in the agenda without the Investors' consent, which consent if given, shall be communicated to the Company in respect of such Reserved Matter by the Investors or the Investor Nominee Director on behalf of the Investors, within a period of 10 (Ten) days from the date of request for inclusion in the agenda. In the event that the Investors decide against the Reserved Matter item, no action, discussion or voting on such Reserved Matter shall be taken up in respect of any of the Reserved Matters, whether at Board level, Shareholder level, committee level or otherwise, except as provided in Clause 4 (*Reserved Matters*).

3.3. **Shareholders' Meetings**

3.3.1. Procedure

- (a) Meetings of the Shareholders shall be called by the Shareholders at such times as may be required by the Articles and by the Act, and in any event at least once in each year.
- (b) Unless a shorter period of notice in respect of any particular Shareholders' meeting is agreed by such Shareholders as required under the Act, not less than 21 (Twenty One) days' prior written notice, with such notice being accompanied by an agenda setting out in reasonable detail the items of business proposed to be transacted thereat together with the necessary background and other information and / or supporting documents (including the text of the proposed resolutions) pertaining thereto, and an explanatory statement containing all relevant information relating to the agenda for the meeting of the Shareholders, shall be provided to the Shareholders.

3.3.2. Quorum

- (a) The quorum for any general meeting of the Shareholders shall be the presence, in person (including through authorized representatives, in case of a non-natural person holding Equity Securities), of such number of Shareholders being not less than 2 (Two) and not less than any higher number as required under the Act to form a valid quorum.
- (b) A valid quorum of any general meeting of the Company shall require the presence of at least 1 (One) representative of the Investors. If at least one such representative of the Investors is not present at any such meeting, unless the prior written consent of the Investors is obtained, such meeting shall be automatically adjourned to the same time on the day falling 7 (Seven) days after the date of the meeting of the Shareholders which has been adjourned pursuant to this provision or such other earlier date as may be agreed by the Promoters and the Investors in writing (the **First Adjourned General Meeting**). If a representative of the Investors (as the case may be) is not present at the First Adjourned General Meeting, unless prior written consent of the Investors is obtained, such meeting will be automatically further adjourned to the same time on the day falling 7 (Seven) days after the date of First Adjourned General Meeting or such other date as may be agreed by the Promoters and the Investors in writing (the **Second Adjourned General Meeting**). If a representative of the Investors is not present at the Second Adjourned General Meeting, the Shareholders then present shall constitute a quorum (provided that the Shareholders present would otherwise constitute a quorum under the Charter Documents and Applicable Law).

3.3.3. Voting

Subject to any requirements under Applicable Law, each resolution of the Shareholders shall be adopted by way of a poll. With respect to any resolution proposed to be passed, each Shareholder (which includes, where applicable, authorised representative or proxy appointed pursuant to Applicable Law) shall be entitled to such voting rights as proportionate to its Shareholding Percentage at the relevant time.

3.3.4. Non-obstante provision

Notwithstanding anything to the contrary contained above in this Clause 3, it is clarified that the provisions of this Clause 3 shall, at all times, be subject to the provisions of Clause 4 (*Reserved Matters*).

3.4. The Company and/or its Subsidiaries and the Promoter Group shall implement the corporate governance action plan as set out in Schedule 6 (*Corporate Governance Action Plan*). The Company undertakes to adopt the Corporate Governance Action Plan immediately with effect from the Effective Date by approving such adoption through a resolution of the Board, and agrees that such adoption shall survive termination of this Agreement. The Promoters shall ensure that the Company implements the Corporate Governance Action Plan so adopted in accordance with the terms therein.

3.5. The Company shall undertake: (a) an annual review of its Risk Management Function; and (b) once in 18 (eighteen) months, an overall corporate governance audit through a third party agreed upon with the Investors.

4. RESERVED MATTERS

4.1. Scope of Reserved Matters

4.1.1. Subject to Clause 14.3.1 (*Fall Away of Rights*), the Parties agree that during the term of this Agreement, no resolution (whether of the Shareholders or the Directors) or action relating to any of the matters specified in Schedule 3 (*Reserved Matters*) shall be passed or undertaken by the Company (or any Subsidiary (existing or future)) without the prior approval of the Investor Nominee Director or Alternate Director or a representative of the Investor 1 (the **Reserved Matters**). A decision relating to the Reserved Matters taken by the Company, its Board (or any committee thereof) and / or Shareholders (or by the corresponding Board, Board committees, Key Managerial Personnel or Shareholders of any of the Company's Subsidiaries (existing or future)), shall not be effective or acted upon by the Board, any Committee of the Board, any Key Managerial Personnel or the Shareholders (or by the corresponding Board, Board committees, key managerial personnel or shareholders of any of the Company's Subsidiaries (existing or future)) unless the Investors have: (i) communicated their no-objection or granted approval for such proposal relating to Reserved Matter, or (ii) approved the proposal at a meeting (physical, virtual or meeting conducted through the circulation of resolutions, as permitted under Applicable Law) of the Board (or any committee thereof) or of Shareholders, or (iii) granted a waiver, as the case may be. It is clarified that if the Investors have granted their consent in any of the above specified manner, no further approval will be required from the Investors for the proposal when it is again taken up by the Board or Shareholders, or otherwise.

4.1.2. In the event that an action in relation to any Reserved Matter is approved other than in accordance with the provisions of this Clause 4, such action shall be deemed to be void and shall not be binding on any Person including the Company (and where relevant, the relevant Subsidiary).

4.1.3. The Parties agree to, upon the terms of this Clause 4 being complied with in relation to the Reserved Matters, obtain all necessary Board and Shareholder approvals and initiate such other actions, as may be required under Applicable Law, to give effect to the Reserved Matters.

4.1.4. The Parties agree that the principles set out in this Clause 4 are fundamental to the governance of the Company (and its Subsidiaries (existing or future)) and each Party undertakes not to

commit any act or omission that would violate or prejudice the spirit and intent of this Clause 4. If any other provision of this Agreement conflicts with the provisions of this Clause 4, the provisions of this Clause 4 shall prevail and be given effect.

4.2. **Business Plan**

Subject to Clause 4 above, the Company shall procure that the executive management of the Company prepares a business plan for the Company and its Subsidiaries (existing or future) (if any) to be submitted to the Board for its approval as follows:

- (a) no later than 30 (Thirty) days prior to the end of each Financial Year commencing after the Closing Date, a three-year rolling business plan for the next 3 (Three) Financial Years; and
- (b) no later than 30 (Thirty) days from the end of each Financial Year commencing after the Closing Date, an updated annual business plan for the then current Financial Year, comprising of both financial and strategic business plan for the relevant Financial Year.

Each such business plan mentioned in (a) and (b) above is referred to herein as the **Business Plan**. The Business Plan shall, *inter alia*, include: (i) expenditures and liabilities of the Company and its Subsidiaries (existing or future) (if any) that may need to be incurred during the relevant Financial Year(s); (ii) funding requirements (whether by way of Debt or equity or otherwise) for the Company and its Subsidiaries (existing or future) (if any) for the relevant Financial Year(s); (iii) business plan of the Company, including, without limitation, product strategy and marketing strategy for the Company for the relevant Financial Year(s); and (iv) such other items as the Board may determine. If a Business Plan has not been approved for a particular Financial Year, the Business Plan that was most recently approved by the Investors shall continue to be applicable for that Financial Year until a Business Plan is specifically approved by the Investors for that Financial Year. For the avoidance of doubt, for the Financial Year ending 31 March 2025, the Business Plan approved by the Investors on or prior to the Effective Date shall be applicable.

- 4.3. The Board shall take all necessary actions to strengthen the internal audit procedures to the extent reasonably required to prepare the Company for the IPO.

5. **FURTHER ISSUE OF CAPITAL**

- 5.1. After the Effective Date but before the Company coming up with an IPO, subject to the terms of any ESOP and the Reserved Matters, in the event the Company proposes to issue any new Equity Securities that would alter the proportionate shareholding held by the Promoter Group and the Investors (the **New Securities**), it must first offer such number of Equity Securities to each of the Investors *pro-rata* the Equity Securities held by them at the relevant time, in order to maintain their respective Shareholding Percentage in the Company prior to such issuance.
- 5.2. The Company shall in writing notify the Investors (the **Issuance Notice**) of the terms of the New Securities (the **Proposed Issuance**), including the price of the Proposed Issuance (the **Issuance Price**), the date of closing of the Proposed Issuance and the number of New Securities that are proposed to be issued.
- 5.3. Upon receipt of the Issuance Notice, the Investors shall have the right but not the obligation to subscribe to any or all of the Equity Securities so offered to it. The Investors may, at their option, agree to subscribe to the New Securities entirely or in part, either by themselves and / or through any of their Affiliates, or waive the exercise of their pre-emption rights in respect of such Proposed Issuance.
- 5.4. Within 30 (Thirty) days from the date of receipt of the Issuance Notice, the Investors shall notify the Company in writing of their intention and the number of New Securities for which the Investors propose to subscribe (the **Investor Pre-emption Shares**).

- 5.5. If the Investors exercise their option to subscribe for the Investor Pre-emption Shares, the Investors shall pay for and subscribe for such Investor Pre-emption Shares at the Issuance Price on the terms and conditions set out in the Issuance Notice, it being clarified that the Investors shall be provided with a further period of at least 30 (Thirty) days for making the payment for the subscription of Investor Pre-emption Shares, and the Company shall issue and allot the Investor Pre-emption Shares to the Investors on the Business Day immediately following the receipt of the consideration from the Investors, as set out herein.
- 5.6. If the Investors do not elect to subscribe to the New Securities, or having agreed to subscribe, fail to pay the appropriate amounts to the Company within the prescribed 30 (Thirty) day period, the Company may offer such Equity Securities to any other Person (including any Promoter) as the Board may consider appropriate on terms and conditions that are no more favourable than the terms and conditions offered to the Investors for the relevant Proposed Issuance.

6. TRANSFER OF EQUITY SECURITIES

6.1. Transfers in violation of this Agreement to be void

The Parties agree and acknowledge that any Transfer or attempted Transfer of any Equity Securities not specifically permitted by this Agreement shall be void, and the Parties shall do every act, deed, matter or thing to prevent such Transfer from being given effect to.

6.2. Transfers by Promoters

6.2.1. Consent from Investors

Except as specifically contemplated in Clause 6.2.2 (*Promoters' Liquidity Transferability*), as long as: (a) any of the Investors holds any Equity Securities in the Company; or (b) the Company has not undertaken an IPO (whichever is earlier), the Promoters shall not be entitled to Transfer, directly or indirectly, any Equity Securities held by them without the prior written consent of the Investors.

6.2.2. Promoters' Liquidity Transferability

- (a) Subject to Clauses 6.2.2 (*Investors' Right of First Offer*), 6.2.6 (*Deed of Adherence*), the Promoters are permitted to Transfer, in one or more tranches (and the sale price per share to any transferee not being lower than the Entry Valuation per share), directly or indirectly (collectively) Equity Securities which represent up to 7.5% (Seven point Five per cent.) of the aggregate paid up Share Capital of the Company on a Fully Diluted Basis (as determined immediately prior to the subscription for CCPs by the Investors under the Share Subscription and Purchase Agreement) to any Person, provided the number of such Persons shall not directly or indirectly exceed 5 (Five).
- (b) In relation to transferees to whom the Promoters propose to Transfer any Securities pursuant to Clause 6.2.2 (a) above, it is hereby clarified that such transferee shall: (i) not acquire any rights other than those attached to their Securities pursuant to the Act; (ii) be an entity of good repute; (iii) not be incorporated in, and shall not have any of its beneficial owners who are situated in or are citizens of, any country which is not FATF-compliant or which is or becomes subject to any U.S., European or United Nations sanctions or embargos; and (iv) not be a Competitor.
- (c) In relation to transferees to whom the Promoters propose to Transfer any Securities with the prior written consent of the Investors, it is hereby clarified that no such transferee shall: (i) be granted any rights that are more favourable than those of the Investors under this Agreement; (ii) be granted any rights which in any manner prejudice any right, benefit or interest granted to the Investors under this Agreement or which affect the enforceability of the Investors' rights against the Company and / or the Promoters under this Agreement; (iii) not be an entity of good repute; (iv) shall be incorporated in, nor shall it have any of its

beneficial owners who are situated in or are citizens of, any country which is not FATF-compliant or which is or becomes subject to any U.S., European or United Nations sanctions or embargos.; and (v) be a Competitor.

6.2.3. Investors' Right of First Offer

Any Transfer of Equity Securities by a member of the Promoter Group in accordance with Clause 6.2.2 (*Promoters' Liquidity Transferability*) shall be subject to a right of first offer of the Investors (hereinafter the **Right of First Offer**) to be exercised in the manner set forth in Clause 6.2.4 (*Procedure for Exercise of Right of First Offer*) below.

6.2.4. Procedure for Exercise of Right of First Offer

The process required to be undertaken in connection with the exercise of the Investors' Right of First Offer shall be as stipulated hereinafter:

- (a) In the event of any Promoter (each a **ROFO Selling Promoter**) proposes to Transfer any Equity Securities as envisaged in this Clause 6, the ROFO Selling Promoter shall serve a prior written notice (the **ROFO Transfer Notice**) to the Investors indicating such ROFO Selling Promoter's intention to Transfer all or any portion of the Equity Securities held by such ROFO Selling Promoter and specifying the total number of Equity Securities intended to be Transferred (the **ROFO Transfer Securities**).
- (b) Within a period of 21 (Twenty One) days from the date of receipt of the ROFO Transfer Notice, the Investors shall have the option to either:
 - (i) serve a written notice on the ROFO Selling Promoter(s) (the **ROFO Participation Notice**) indicating whether they wish to purchase all or any portion of the ROFO Transfer Securities and the price (the **ROFO Price**) at which they are offering to purchase the ROFO Transfer Securities on a delivery against cash basis; or
 - (ii) deliver a notice on the ROFO Selling Promoter stating that they are not desirous of purchasing the ROFO Transfer Securities (the **ROFO Rejection Notice**). Provided that if the Investors fail to deliver the ROFO Participation Notice within the 30 (Thirty) days period specified in Clause 6.2.4(b) above, the Investors shall be deemed, on the last day of such period, to have served a ROFO Rejection Notice on the ROFO Selling Promoter.
- (c) If the Investors: (i) deliver or are deemed to have delivered a ROFO Rejection Notice on the ROFO Selling Promoter under Clause 6.2.4(b)(ii) above; or (ii) deliver a ROFO Participation Notice in respect of only a portion of the ROFO Transfer Securities (with the remaining Equity Securities being the **Remaining ROFO Securities**), the ROFO Selling Promoter shall be free to Transfer the ROFO Transfer Securities or the Remaining ROFO Securities (as the case may be) to any Person at a price higher than the ROFO Price within a period of 180 (One Hundred and Eighty) days from the date of the ROFO Rejection Notice or the ROFO Participation Notice (as the case may be).
- (d) If the Investors have delivered a ROFO Participation Notice that contains an offer to purchase the ROFO Transfer Securities or any portion thereof (including the price at which the ROFO Transfer Securities are sought to be purchased) and the ROFO Selling Promoter(s) finds the ROFO Price (as set forth in the ROFO Participation Notice) acceptable, the ROFO Selling Promoter(s) shall within 60 (Sixty) days from the date of receipt of the ROFO Participation Notice (the **ROFO Response Period**) issue a notice (the **ROFO Selling Promoter Acceptance Notice**) to the Investors, indicating such ROFO Selling Promoter's willingness to sell the relevant ROFO Transfer Securities to the relevant Investors at such ROFO Price.

- (e) Pursuant to delivery of the ROFO Selling Promoter Acceptance Notice to the Investors (in accordance with Clause 6.2.4(d) above), the Transfer of the relevant ROFO Transfer Securities to the Investors shall be completed within a period of 30 (Thirty) days from the date of delivery of the ROFO Selling Promoter Acceptance Notice to the Investors. For the purposes of achieving such completion, the Investors shall pay the ROFO Price, to the ROFO Selling Promoter and the ROFO Selling Promoter shall undertake such further activities to complete the Transfer of such ROFO Transfer Securities.
- (f) If after receipt of the ROFO Selling Promoter Acceptance Notice, the Investors are unable to complete the Transfer of the relevant ROFO Transfer Securities by paying the ROFO Price within a period of 30 (Thirty) days from the date of receipt of the ROFO Selling Promoter Acceptance Notice (the **ROFO Purchase Period**), the ROFO Selling Promoter shall be permitted to Transfer such ROFO Transfer Securities to any Person without any restrictions as to pricing or timeline for completion.
- (g) In the event that the ROFO Selling Promoter is unable to Transfer the ROFO Transfer Securities to any other Person within the specific time period indicated in Clauses 6.2.4(f) or 6.2.4(f), the provisions of this Clause 6.2.4 shall once again apply to any proposed Transfer of any Equity Securities.
- (h) The Parties agree and undertake that in the event of a proposed Transfer of the ROFO Transfer Securities to any Person other than the Investors in accordance with the provisions contained in this Clause 6.2.4, the Parties shall provide all reasonable assistance to the ROFO Selling Promoter and such proposed purchaser to facilitate the sale of the ROFO Transfer Securities to the proposed purchaser.

6.2.5. Investors' Tag Along Right

- (a) Subject to Clauses 6.2.1, 6.2.3 and 6.2.4 above, if prior consent of the Investors is provided for the Transfer of any of the Equity Securities held by any of the Promoters (the **Selling Promoter(s)**) to a third party purchaser, then, such Transfer of Equity Securities held by such Selling Promoter (other than any Transfer pursuant to 6.2.2 (*Promoters' Liquidity Transferability*)) shall, in addition to the Right of First Offer of the Investors, be subject to a tag along right of the Investors, i.e. the Investors will have the right but not the obligation, to require the Selling Promoter to include in the proposed Transfer to a third party purchaser, the Equity Securities held by the Investors in the manner set out in Clause 6.2.5(c) below (hereinafter the **Tag Along Right**).
- (b) It is hereby clarified that the Tag Along Right shall not be applicable in the event of *inter-se* Transfers between members of the Singhanian Promoters or transfers between members of the Bothra Promoters, or their respective Relatives.
- (c) Prior to any Transfer of Equity Securities by the Promoter as above, the Investors shall have the Tag Along Right, but not the obligation, to require the Selling Promoter to include in the proposed Transfer to a third party purchaser, the following number of Equity Securities:
 - (i) In case the proposed Transfer by the Selling Promoter will result in any Person other than the Promoters and / or their Affiliates assuming Control of the Company, all but not less than all of the Equity Securities held by the Investors;
 - (ii) In all other cases, such number of Equity Securities held by the Investors as are determined on a *pro-rata* basis as per the *inter-se* Shareholding of the Promoters (along with their respective Affiliates) and the Investors at that time.

The Equity Securities that the Investors elect to Transfer to such third party purchaser, based on their entitlement contained in this Clause 6.2.5(c) shall be hereinafter referred to as the **Tag Shares**. The price at which the third party purchases the Tag Shares shall be the same as the price at which the third party purchases the Equity

Securities from the Selling Promoters and upon the same terms and conditions as are given to the Selling Promoters.

- (d) In the event the Investors elect to exercise their Tag Along Right, they shall, within 30 (Thirty) days following the communication of their consent to the Promoters as envisaged in Clause 6.2.5 (c) (herein the **Tag Response Period**), deliver a written notice of such election to the Selling Promoter (the **Tag Acceptance Notice**) in terms of Clause 6.2.5(c) indicating the number of Tag Shares proposed to be Transferred by the Investors to such third party purchaser. Such notice shall be irrevocable and shall constitute a binding agreement by such Investors to Transfer the Tag Shares to such third party purchaser.
- (e) If the Investors have exercised the Tag Along Right, the Selling Promoters may proceed to Transfer their Equity Securities that are subject to the Tag Along Right, only if they are able to procure such third party purchaser acquire the Tag Shares from the Investors as specified in this Clause 6.2.5 (e).
- (f) If the Selling Promoters do not receive Tag Acceptance Notice in the Tag Response Period, it will be deemed that the Investors do not wish to exercise the Tag Along Right, and the Selling Promoters will be entitled to sell their Equity Securities to the third party purchaser at the same price and terms which were communicated to the Investors in terms of this Clause within a period of 180 (One Hundred and Eighty) days from the end of the Tag Response Period. In the event that the Selling Promoter is unable to sell the proposed Equity Securities within such period of 180 (One Hundred and Eighty) days, the provisions of this Clause shall once again apply to any proposed sale of Equity Securities.

6.2.6. Deed of Adherence

Any Person (including any Affiliates of the Promoters) who acquires Equity Securities in the Company by way of operation of: (a) Clause 6.2.2 (*Promoter's Liquidity Transferability*); (b) Clause 6.2.4 (*Procedure for Exercise of Right of First Offer*); (c) Clause 6.2.5 (*Investors' Tag Along Right*), or Clause 6.3 (*Transfers by Investors*), will be required to execute a Deed of Adherence in the form provided in Schedule 4 (*Form of Deed of Adherence*) confirming that they accept the terms and conditions of this Agreement and shall be governed by this Agreement.

6.3. **Transfers by Investors**

- 6.3.1. The Investors may at any time, without the prior consent of the Promoters, Transfer any of the Equity Securities held by them to any Person, including any of their Affiliates, provided that they:
 - (a) the Investors shall not Transfer any Equity Securities held by them in favour of a Competitor except following the expiry of the Exit Cut-off Date; and
 - (b) the Investors shall provide a prior written notice of such Transfer to the Company and the Promoters at least 15 (Fifteen) days prior to such Transfer; and
 - (c) the Investors shall first offer the relevant Equity Securities to the Promoters, in the same manner and following the same procedure as set out in Clause 6.3.2 below.
- 6.3.2. The process required to be undertaken in connection with the exercise of the Promoters' Right of First Offer shall be as stipulated hereinafter:
 - (a) In the event of any Investor (each a **ROFO Selling Investor**) proposes to Transfer any Equity Securities as envisaged in Clause 6.3.1, the ROFO Selling Investor shall serve a prior written notice (the **ROFO Promoter Transfer Notice**) to the Promoters indicating such ROFO Selling Investor's intention to Transfer all or any portion of the Equity Securities held by such ROFO Selling Investor and specifying the total number of Equity Securities intended to be Transferred (the **ROFO Promoter Transfer Securities**).

- (b) Within a period of 21 (Twenty One) days from the date of receipt of the ROFO Transfer Notice, the Promoters shall have the option to either:
- (i) serve a written notice on the ROFO Selling Investor(s) (the **ROFO Promoter Participation Notice**) indicating whether they wish to purchase all or any portion of the ROFO Promoter Transfer Securities and the price (the **ROFO Promoter Price**) at which they are offering to purchase the ROFO Promoter Transfer Securities on a delivery against cash basis; or
 - (ii) deliver a notice on the ROFO Selling Investors stating that they are not desirous of purchasing the ROFO Promoter Transfer Securities (the **ROFO Promoter Rejection Notice**). Provided that if the Promoters fail to deliver the ROFO Promoter Participation Notice within the 30 (Thirty) days period specified in Clause 6.3.2(b)(i) above, the Promoters shall be deemed, on the last day of such period, to have served a ROFO Promoter Rejection Notice on the ROFO Selling Investor.
- (c) If the Promoters: (i) deliver or are deemed to have delivered a ROFO Promoter Rejection Notice on the ROFO Selling Investor under Clause 6.3.2(b)(ii) above; or (ii) deliver a ROFO Promoter Participation Notice in respect of only a portion of the ROFO Promoter Transfer Securities (with the remaining Equity Securities being the **Remaining Promoter ROFO Securities**), the ROFO Selling Investor shall be free to Transfer the ROFO Promoter Transfer Securities or the Remaining Promoter ROFO Securities (as the case may be) to any Person at a price higher than the ROFO Promoter Price within a period of 180 (One Hundred and Eighty) days from the date of the ROFO Promoter Rejection Notice or the ROFO Promoter Participation Notice (as the case may be).
- (d) If the Promoters have delivered a ROFO Promoter Participation Notice that contains an offer to purchase the ROFO Promoter Transfer Securities or any portion thereof (including the price at which the ROFO Promoter Transfer Securities are sought to be purchased) and the ROFO Selling Investor(s) finds the ROFO Promoter Price (as set forth in the ROFO Promoter Participation Notice) acceptable, the ROFO Selling Investor(s) shall within 60 (Sixty) days from the date of receipt of the ROFO Promoter Participation Notice (the **ROFO Investor Response Period**) issue a notice (the **ROFO Selling Investor Acceptance Notice**) to the Promoters, indicating such ROFO Selling Investor's willingness to sell the relevant ROFO Promoter Transfer Securities to the relevant Promoters at such ROFO Promoter Price.
- (e) Pursuant to delivery of the ROFO Selling Investor Acceptance Notice to the Investors (in accordance with Clause 6.3.2(d) above), the Transfer of the relevant ROFO Promoter Transfer Securities to the Promoters shall be completed within a period of 30 (Thirty) days from the date of delivery of the ROFO Selling Investor Acceptance Notice to the Promoters. For the purposes of achieving such completion, the Promoters shall pay the ROFO Promoter Price, to the ROFO Selling Investor and the ROFO Selling Investor shall undertake such further activities to complete the Transfer of such ROFO Promoter Transfer Securities.
- (f) If after receipt of the ROFO Selling Investor Acceptance Notice, the Promoters are unable to complete the Transfer of the relevant ROFO Promoter Transfer Securities by paying the ROFO Promoter Price within a period of 30 (Thirty) days from the date of receipt of the ROFO Selling Investor Acceptance Notice (the **ROFO Promoter Purchase Period**), the ROFO Selling Investor shall be permitted to Transfer such ROFO Promoter Transfer Securities to any Person without any restrictions as to pricing or timeline for completion.
- (g) In the event that the ROFO Selling Investor is unable to Transfer the ROFO Promoter Transfer Securities to any other Person within the specific time period indicated in Clauses 6.3.2(c) or 6.3.2(d), the provisions of this Clause 6.3.2 shall once again apply to any proposed Transfer of any Equity Securities.

- (h) The Parties agree and undertake that in the event of a proposed Transfer of the ROFO Promoter Transfer Securities to any Person other than the Investors in accordance with the provisions contained in this Clause 6.3.2, the Parties shall provide all reasonable assistance to the ROFO Selling Investor and such proposed purchaser to facilitate the sale of the ROFO Promoter Transfer Securities to the proposed purchaser.
- 6.3.3. The Parties hereby agree that the restrictions contained in Clauses 6.3.1(a) and 6.3.1(c) (*Transfer by Investors*) shall not be applicable if the IPO or the Secondary Sale do not occur before the expiry of a period of 15 (Fifteen) months from the IPO Deadline Date (the ***Exit Cut-off Date***).

7. EXIT PROVISIONS

- 7.1. The Company and the Promoters shall provide the Investors with the ability to sell all the Equity Securities held by the Investors in the Company on terms acceptable to the Investors in the manner and priority as set out in this Clause 7.

IPO

- 7.2. The Company and the Promoter shall use their best endeavours to cause the listing of the Equity Securities of the Company on a Recognised Stock Exchange through an IPO on or prior to the expiry of 60 (Sixty) months from the Effective Date (the ***IPO Deadline Date***), or such subsequent date that may be agreed in writing between the Company, Promoters and the Investors.
- 7.3. The Parties agree that the Investors are Financial Investors and not ‘promoters’ of the Company and the Company and the Promoters shall, subject to Applicable Law, take all reasonable steps necessary to ensure that the Investors are not considered to be, or named as, a ‘promoter’ of the Company.
- 7.4. The Company shall, for the purposes of the IPO, appoint reputable book running lead managers approved by the Investors. For the avoidance of doubt, this provision will not apply to book running lead managers appointed prior to the execution of this Agreement.
- 7.5. The Parties shall take all such steps and extend all such co-operation to each other, the lead managers, underwriters and others, as may be required for the purpose of expeditiously making and completing the IPO.
- 7.6. The Promoters acknowledge that the sponsor or underwriter in any IPO will expect them to provide customary warranties or indemnities. Subject to Applicable Law, the Investors shall not be required to give any warranties or indemnities, other than warranties as to title and ownership of their shares and capacity to sell the shares proposed to be tendered by the Investors in the IPO.
- 7.7. The Company shall constitute a committee (which shall at all times include the Investor Nominee Director, if there is one) to whom all powers in relation to the IPO, including in respect of pricing and determination of the price band shall be delegated by the Board (the ***IPO Committee***). The quorum for the IPO Committee must necessarily include the Investor Nominee Director, and all decisions of the IPO Committee must be taken unanimously.
- 7.8. This Agreement shall cease to have effect upon admission to listing and trading of the Equity Shares on a Recognised Stock Exchange pursuant to the IPO.

Secondary Sale

- 7.9. If the IPO is not consummated on or before the IPO Deadline Date, the Company and the Promoters shall appoint a reputed merchant banker that is mutually acceptable to the Promoters and the Investors, to initiate a process to sell all of the Equity Shares of the Investors (the ***Secondary Sale***), to any party or parties (including Financial Investors) that are jointly approved

by the Investors and the Promoters in consultation with such merchant banker (the **Purchaser**), at a sale price per Equity Share which is acceptable to the Investors and shall not be less than: (a) the fair market value (**FMV**); and (b) the consideration paid by them for the acquisition of such CCPS under the Share Subscription and Purchase Agreement, whichever is higher (the **Secondary Sale Price**). Simultaneously with the appointment of the merchant banker, the Company shall appoint a firm of valuers, that is mutually acceptable to the Promoters and the Investors, to determine the FMV. The Promoters and the Company shall make use their best endeavours to ensure that the Secondary Sale is completed on or prior to the Exit Cut-off Date.

- 7.10. The Company and the Promoters shall provide all requisite representations and warranties (except with respect to the title to the Investor Securities, which are customary and reasonable, in relation to the circumstances then existing, in respect of the business and operations of the Company, in order to consummate the Secondary Sale. The Company and the Promoters shall render all reasonable assistance necessary, including providing access to legal and financial due diligence, to expeditiously complete the Investor's exit under this Clause 7.10. All fees, costs and expenses relating to the consummation of the Secondary Sale shall be borne by the Company. The Investors shall not be required to make any representations or warranties or provide any indemnities to the Purchaser, other than fundamental representations and warranties (clear and marketable title with no Encumbrances) in relation to the Investor Securities.

Buyback by Company

- 7.11. In the event that a Secondary Sale is not completed in accordance with Clause 7.9 above on or prior to the Exit Cut-off Date, if the Investors so require, the Company shall, and the Promoters shall procure that the Company shall, buy back the entire shareholding of the Investors in the Company, on a spot delivery basis, at a price per Equity Security which is equal to or higher of the then applicable FMV of each Equity Security and the Subscription Price of each Subscription Share on a Fully Diluted Basis, subject to compliance with section 68 of the Act and Applicable Laws, and availability of adequate capital. The Company shall appoint 2 (Two) of the Big Six Accounting Firms (as mutually acceptable to the Promoters and the Investors) for determining the valuation, and the FMV for the purposes of this Clause shall be the average of the valuations determined by such firms.
- 7.12. The buyback transaction contemplated under Clause 7.11, and the payment of consideration to the Investors for the transaction, shall be completed within a period of 4 (Four) months from the date on which the Investors notify the Company and the Promoters of their decision to require the Company to complete a buyback, or such extended period as may be required under Applicable Law for the completion of the buyback, subject to all approvals having been obtained for such purpose. The Promoters shall co-operate in passing all of the resolutions by the Board and / or the Shareholders, which are required for the execution of the buyback of the Investor Securities.
- 7.13. Following the decision of the Investors to require the Company to complete a buyback, where the buyback is not completed within the timelines mentioned in Clause 7.12 above, the Investors shall be entitled to identify a Person (the **Exit Purchaser**) who is willing to purchase all of the Investor Securities (the **Trade Sale**).
- 7.14. In the event that the Exit Purchaser intends to purchase any Equity Securities in addition to those held by the Investors to complete the Trade Sale, the Investors shall be entitled to require the members of the Promoters to Transfer any or all of the Equity Securities held by such members of the Promoters, pursuant to a notice (the **Additional Sale Notice**) setting out the number of Equity Securities required to be Transferred by the Promoters (the **Additional Sale Securities**) and the price per Equity Security for such Transfer along with details of the Exit Purchaser. Notwithstanding anything contained in the preceding sentence, if the Exit Purchaser intends to purchase such number of Equity Securities that would result in the Exit Purchaser acquiring more than 50% (Fifty per cent.) of the issued and paid up Share Capital of the

Company on a Fully Diluted Basis in one or more tranches, then the Additional Sale Securities shall mean all (and not less than all) of the Equity Securities held by the Promoters.

- 7.15. The Promoters shall be obligated to Transfer the Additional Sale Securities held by them, free and clear of any Encumbrance, on the terms set out in the Additional Sale Notice which shall be same as those as offered to the Investors by the Exit Purchaser and such purchase of Additional Sale Securities shall be completed by the Exit Purchaser within a specified time period in the Additional Sale Notice (such sale to be referred to as the **Additional Sale** and such right of the Investors to be referred to as the **Additional Sale Right**). The Company and / or the Promoters and / or the Investors shall procure all necessary approvals applicable to them and assist each other in obtaining any such approvals as required to complete the Trade Sale.
- 7.16. All amounts payable under this Clause 7 shall be subject to compliance with Clause 9 (*Liquidity Preference*).

8. LIQUIDATION PREFERENCE

- 8.1. Upon the occurrence of a Liquidation Event of the Company, the Investors shall have the first right in preference, in accordance with Applicable Law, to any other Shareholders to receive an amount per Equity Security held by the Investors at the time of the Liquidation Event that is at least equal to the consideration paid by them for the acquisition of such Equity Securities under the Share Subscription and Purchase Agreement *less* any coupon or dividend received by the Investors on such Equity Securities (the **Liquidation Preference Amount**) and before any distribution is made in respect of any Equity Securities or otherwise to any other Shareholder of the Company.
- 8.2. Following the receipt of the Liquidation Preference Amount under Clause 8.1, the holders of Equity Securities on a Fully Diluted Basis (including the Investors), shall be entitled to receive any surplus assets of the Company in the relevant proportion determined on a Fully Diluted Basis, provided that the amount to be received by the Investors will take into account the Liquidation Preference Amount to the extent already received by it in terms of Clause 8.1.
- 8.3. In the event the Company has insufficient assets to permit payment of the Liquidation Preference Amount in full to the Investors, then all available funds of the Company shall be distributed to the Investors.
- 8.4. Without prejudice to the rights of the Investors set out in this Clause 8 and elsewhere in this Agreement, it is hereby clarified that the Investor Securities that are held by the Investors shall, in all other respects, at least rank *pari passu* with the other outstanding Equity Securities including with respect to entitlement to dividends and, subject to the provisions of this Clause 8 other distributions, including as a result of a share buy-back or a court approved scheme of arrangement.

9. LIQUIDITY PREFERENCE

- 9.1. Upon the occurrence of a Liquidity Event, the Promoters and the Company shall ensure that the Investors receive, in priority to all other Shareholders, an amount per Equity Security held by the Investors, that is equal to or the higher of: (a) the consideration paid by them for the acquisition of such Equity Securities under the Share Subscription and Purchase Agreement *less* any coupon or dividend received by the Investors on such Equity Securities; and (b) their proportionate share of the proceeds from the Liquidity Event determined by reference to their shareholding in the Company on a Fully Diluted basis as on the date of Liquidity Event.

10. PROMOTER NON-COMPETE, PROFESSIONAL COMMITMENT AND OTHER COVENANTS

- 10.1. **Covenants of the Promoters**

- 10.1.1. The Promoter Group shall, and procure that their Affiliates shall, not have any direct or indirect financial interest in, or be associated as a shareholder (direct or indirect), director, officer, employee, or consultant with or to a Person, that directly competes with the Business (a **Competing Business**).
- 10.1.2. The Promoter Group agrees that undertaking any Competing Business through businesses or entities or through any of their Affiliates will be deemed to be in violation of such covenants.
- 10.1.3. Sanjay Singhanian, Nikhil Bothra and the Key Managerial Personnel of the Company shall be in charge of day-to-day activities of the Company and shall devote adequate professional time for the business operations of the Company.
- 10.2. **Anti Bribery, Anti Corruption, Anti Money Laundering and Sanctions**
- 10.2.1. The Company, its Directors, officers, employees, agents, or other associated Persons, while acting on behalf of the Group Companies or in connection with its business, shall ensure that they do not violate any Anti-Corruption Laws, any Anti-Money Laundering Laws or any Sanctions, and shall ensure that they do not take or cause to be taken, directly or indirectly, any action or inaction that would cause the Company, its Directors, officers, employees, agents, or other associated Persons, while acting on behalf of the Group Companies or in connection with its business, shall ensure that they do not violate any Anti-Corruption Laws, any Anti-Money Laundering Laws or any Sanctions. The Company shall maintain adequate internal policies to procure compliance with this Clause 10.2.
- 10.2.2. The Company shall adopt and maintain accounting standards and procedures as are necessary to ensure that they make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of Company; and shall maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) no off-the-books accounts are maintained; (ii) assets are used only in accordance with management directives; (iii) the integrity of financial statements is maintained; (iv) transactions are recorded as necessary to permit the auditor of Company to prepare financial statements in conformity with Indian accounting standards (as amended from time to time) or any other accounting practice determined by the Board, and to maintain accountability for assets; (v) access to assets is permitted only in accordance with the general or specific authorization of the Board and the managing director; and (vi) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- 10.2.3. The Company and its respective directors, officers, employees, agents, or other associated Persons, shall not lend, contribute, invest, pay or otherwise make available any monies to any person (including any specially designated national or blocked person as identified by the US Department of Treasury) in violation of any Sanctions applicable to the Company or any of the Investors. The Company and its respective directors, officers, employees, agents, or other associated Persons shall not conduct, or enter a contract to conduct, any transaction or business activities with the Governmental Authorities, agents, representatives or residents of, or any person based or resident in, countries or territories that are subject to territorial Sanctions applicable to the Company.
- 10.2.4. Notwithstanding anything contained in this Clause 10, it is clarified that the Investors' obligations under this Clause 10.2 shall be limited to their investment in the Company and their activities in connection with the Business of the Company.
- 10.2.5. The Company shall comply with the Anti-Corruption Laws and shall implement all actions set out in the appropriate compliance framework mutually agreed between the Parties (the **ABC Framework**) within the timeframes set out thereunder and report to the Investors on progress under the ABC Framework.
- 10.2.6. The Board shall:

- (a) oversee implementation of the ABC Framework;
 - (b) receive quarterly reporting from management on implementation of the ABC Framework across the Company; and
 - (c) appoint consultants to investigate breaches of the ABC Framework at corporate and project levels.
- 10.2.7. The Company shall not, at any time, enter into any transaction or engage in any activity prohibited by any resolution of the United Nations Security Council under Chapter VII of the United Nations Charter or debarred by the World Bank Group (www.worldbank.org/debarr).
- 10.2.8. The Company shall ensure that each owner of 10% (ten per cent) or more of the shares or other beneficial interests in such Company or the Subsidiary, its senior management officials, and directors are not considered as Sanctioned Persons (with the exception of public listed companies, where such screening is required for each of the foregoing persons and entities whose names are publicly available).
- 10.2.9. The Company shall institute, maintain and comply with internal procedures and controls in compliance with the Financial Action Task Force (FATF) recommendations and standards, as amended and supplemented from time to time.

Controlled Foreign Corporation

- 10.2.10. The Company shall not, at any point in time, be classified as a ‘Controlled Foreign Corporation’ (CFC) as defined in the U.S. Internal Revenue Code, 1986 (the U.S. Revenue Code). At the Investors’ request and cost, the Company shall make an inquiry with its tax advisors, on an annual basis, regarding: (a) the Company’s status as a CFC as defined in the U.S. Revenue Code; and (b) whether any portion of the Company’s income is categorized as ‘subpart F income’ (as defined in section 952 of the U.S. Revenue Code) or ‘global intangible low-taxed income’ (as defined in section 951A of the U.S. Revenue Code). For this purpose, the Investors shall reasonably cooperate with the Company to provide information about the Investors and the Investors’ Shareholders in order to enable the Company’s tax advisors to make the above determinations and to determine the status of the Investors and / or any of the Investors’ Shareholders as ‘United States Shareholder’ within the meaning of section 951(b) of the U.S. Revenue Code.
- 10.2.11. Within 90 (Ninety) days after the end of each Financial Year, the Company shall provide the following information to the Investors:
- (a) the Company’s capitalisation table as at the end of such Financial Year; and
 - (b) a report from the Company’s tax advisors regarding the Company’s status as a CFC.
- In addition, the Company shall provide to the Investors such other information, as may be reasonably necessary and requested by the Investors in respect of the Company, for the Investors and / or any of the Investors’ Shareholders to: (a) determine the Company’s status as a CFC; and (b) determine whether the Investors and / or any of the Investors’ Shareholders shall be required to report their pro rata portion of the Company’s ‘subpart F income’ or ‘global intangible low-taxed income’ in the United States federal income tax return; and (c) otherwise comply with applicable federal income tax laws in the United States of America.
- 10.2.12. The Company and the Shareholders shall not, without the prior written consent of the Investors, issue or Transfer any Equity Securities in the Company to the Investors if, following such issuance or Transfer, the Company, in the determination of the Company’s tax advisors or the Investors’ counsel or accountants, would be classified as a CFC.
- 10.2.13. In the event that the Company is determined, by the Company’s tax advisors or by the Investors’ counsel or accountants, to be classified as a CFC, the Company shall use commercially

reasonable efforts to avoid generating ‘subpart F Income’ and ‘global intangible low-taxed income’. The Company shall not, with respect to its Financial Year during which the Closing occurs, be classified as a ‘passive foreign investment company’ within the meaning of section 1297 of the U.S. Revenue Code and shall use commercially reasonable efforts to avoid being classified as a ‘passive foreign investment company’.

10.2.14. In connection with a ‘Qualified Electing Fund’, an election made by the Investors pursuant to section 1295 of the U.S. Revenue Code, or a ‘Protective Statement’ filed by any of the Investors’ Shareholders pursuant to section 1.1295 – 3 of the Code of Federal Regulations, the Company shall, on an annual basis, provide financial information of the Company to the Investors, as may be required under Applicable Law as soon as reasonably practicable after the end of each Financial Year of the Company (but in any event within 90 (Ninety) days following the end of such Financial Year).

10.2.15. The Parties agree that the Investors shall provide for all necessary clarification that the Company may require in relation to fulfilling its obligation under Clauses 10.2.10 to 10.2.15 (including access to the relevant Person to seek such information and clarification), and the Investors shall promptly attend to such requests of the Company. The Company shall cooperate with the Investors’ tax advisors with respect to any inquiry being made by the Investors regarding whether the Investors or any of the Investors’ Shareholders’ direct or indirect interest in the Company is subject to the reporting requirements under either, or both of, sections 6038 and 6038B of the U.S. Revenue Code, and provide the Investors or their tax advisors with such information as may be reasonably requested by them in that regard, at the cost of the Investors.

10.2.16. For purposes of Clauses 10.2.17 and 10.2.18, the term **Company** means the Company and / or any of its Subsidiaries (existing or future).

Supply Chain and Labour Conditions

10.2.17. The Company and / or its Subsidiaries shall, and the Promoters shall procure that the Company and the Subsidiaries (existing or future) shall, at all times, ensure that:

- (a) it shall: (i) develop and implement robust supply chain ESG risk management systems, policies & monitoring procedures as prescribed in the ESA Plan for its domestic and international supply chain; and (ii) and while empaneling new suppliers, undertake supplier due diligence/audit on ongoing basis, to ensure that none of the new suppliers contracted by the Company and / or its Subsidiaries are owned or controlled by the Government of the People’s Republic of China, and/or have any historical or current sourcing links to the Xinjiang region of the People’s Republic of China;
- (b) ensure that, to its best knowledge, its primary suppliers, and (other suppliers, if possible), do not employ forced labor in the supplier’s manufacturing operations;
- (c) it has systems to monitor the Primary Supply Chains on an ongoing basis in order to identify any significant changes in their supply chains or risks consistent with the requirements set out by the Investors and if any new risks or incidents of child and / or forced labour are identified, the Company and the Subsidiaries (existing or future) shall take appropriate steps to remedy such risks or incidents;
- (d) in situations wherein there is a high risk of significant safety issues related to supply chain workers, procedures and mitigation measures are introduced by the Company and its Subsidiaries (existing or future) to ensure that the primary suppliers within their supply chain are taking steps to prevent or to rectify life-threatening situations;
- (e) it shall remove and terminate primary suppliers (as identified during diligence or audits) with identified concerns regarding their potential use of forced labor and / or child labor from its eligible list of suppliers; and

- (f) it shall monitor on periodic basis the suppliers against sanction or prohibition lists released by national government, United Nations or the United States Department of Commerce / Customs / State and ensure that it shall have no business relationships or transition away if any existing relationship exists, with any such identified supplier/vendors.

10.2.18. For the purposes of Clause 10.2.17, the term **Primary Supply Chain** means all those suppliers who, on an ongoing basis, provide goods or materials essential for the core business processes of the company. The core business processes constitute those production and/or service processes essential for a specific business activity without which the business activity could not continue.

11. EVENTS OF DEFAULT

11.1. Events of Default

11.1.1. Each of the following is an **Event of Default**:

- (a) a material breach of one or more of the warranties by any of the Parties to this Agreement;
- (b) a breach of Clauses 3.2.2, 3.2.4, 3.2.5, 3.2.6, 3.2.7, 3.2.13(c), 3.2.13(i), 3.2.14, 3.3.2, 3.3.4, 3.4, 3.5, 4, 6.2, 10.1 and 10.2;
- (c) any issues relating to the ESA Plan such that: (a) such issues result in a criminal conviction against the Company, Promoters or any of its Key Managerial Personnel, unless such conviction is vacated or removed within the periods prescribed under Applicable Law; and / or (b) such issues result in the closure of any of the premises or factories of the Company or impacts business continuity of the Company for more than 30 (Thirty) days; and / or (c) such issues result in a penalty of INR 3,00,00,000 (Indian Rupees Three Crores) or more, unless such penalty is stayed in accordance with Applicable Law;
- (d) a Party is adjudicated by a competent Court or other competent Authority as being unable to pay its Debts as they fall due (except Debts contested in good faith);
- (e) if a liquidator, trustee in bankruptcy, receiver or the like is appointed for a Party by a competent court or other competent Authority and such appointment remains un-stayed or un-vacated for a period of 180 (One Hundred and Eighty) days after the date of such order by a competent court in respect of the Promoters or the Company;
- (f) upon a conviction by a court of competent jurisdiction which has: (i) not been stayed by the court of competent jurisdiction; or (ii) been upheld by the applicable High Court of competent jurisdiction for any act of fraud, or any other serious criminal offence of moral turpitude, against the Promoters and is not subsequently quashed or vacated within a period of 180 (One Hundred and Eighty) days; and
- (g) if a receiver or manager is appointed by a competent court or other competent Authority in respect of all or a substantial part of the assets of a Party and such appointment remains unstayed or unvacated for a period of 90 (Ninety) days after the date of such appointment.

11.2. Consequences of Event of Default

11.2.1. Upon the occurrence of an Event of Default, the Investors may immediately, by a written notice (the **Default Notice**), require the Company and the Promoters to remedy the Events of Default to the satisfaction of the Investors within 3 (Three) months from the date of the Default Notice (each such period, the **Cure Period**).

11.2.2. If an Event of Default is continuing and remains unremedied after the expiry of the Cure Period in accordance with Clause 11.2.1 above, then:

- (a) all Transfer restrictions applicable to the Investors under this Agreement will cease to exist and will fall away; or
- (b) the Investors can, at their option and in their absolute discretion, require the Company to provide the Investors with an exit under any of the options set out in Clause 7 (*Exit Provisions*) in the order determined by the Investors, in one or more tranches.

12. ENVIRONMENTAL AND SOCIAL ACTION PLAN

- 12.1. The Company shall, and the Promoters shall ensure that the Company and the Subsidiaries (existing or future) shall, implement and comply with the ESA Plan, as set out in Schedule 5 (*ESA Plan*), and undertake the Business of the Company and the Subsidiaries (existing or future) in compliance with the applicable ESA Laws. The Company undertakes to adopt the ESA Plan immediately with effect from the Effective Date by approving such adoption through a resolution of the Board, and agrees that such adoption shall survive termination of this Agreement. The Promoters shall ensure that the Company implements the ESA Plan so adopted in accordance with the terms therein.
- 12.2. The compliance with the ESA Plan and the applicable ESA Laws shall be reviewed by a third party service provider, approved by the Investors, at the Company's cost. The Company will also be subject to an environmental social governance audit on an annual basis thereafter (at any time, in each Financial Year), conducted by an independent third party service provider, at the Company's cost, approved by the Investors, in a form and manner satisfactory to the Investors.
- 12.3. Based on the findings of such third party service provider, the ESA Plan shall be revised in a form and manner mutually agreed to by the Parties, if and to the extent deemed necessary by such third party service provider, and the Company and the Subsidiaries (existing or future) shall implement and comply with such revised ESA Plan, from time to time.
- 12.4. The Company shall and the Promoters shall cause the Company to notify the Investors, promptly and in any case within a maximum of 48 (Forty Eight) hours after knowledge of the occurrence, of any social, labour, health and safety, security and / or environmental incident, accident or circumstance that in the reasonable opinion of the Company or the Promoters has, or which could reasonably be expected to have, any materially adverse: (a) social, labour, health and safety, security and / or environmental impact; and / or (b) impact on the implementation or operation of the business of the Company and / or the Subsidiaries (existing or future), specifying in each case: (i) the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom; and (ii) the measures that are taken and / or will be taken by the Company and / or the Subsidiaries (existing or future) to address these issues and to prevent any similar event in the future (the **Safety Measures**). The Company shall, and the Promoters shall procure that the Company shall, to keep the Investors informed of the ongoing implementation of the Safety Measures.
- 12.5. The Company at its own cost, on one-time basis shall engage a third-party service provider, chosen by the Investors, to develop a harmonized framework and methodology for calculating the carbon footprint of its projects (using embodied carbon and / or other similar metrics) basis the Life Cycle Analysis (LCA)¹ approach. Post development of the LCA framework, the Company, in concurrence with Investors, on annual basis shall select key projects² in a calendar year to evaluate them using the LCA framework and establish comparative carbon footprint with traditional / existing construction solutions to benchmark environmental performance. The Company may engage at its own cost, a third party, as needed, for the annual LCA project

¹ LCA steps are outlined in International Organization for Standardization (ISO) standard ISO 14040. ISO 14040 provides an internationally accepted framework for conducting LCA. The scope of the LCA should be a cradle-to-grave assessment, from design to demolition over service life of 60 years. The LCA will follow the system boundaries A1–A4, B1–B7 and C1–C4 according to ISO 21930 for the building structure and enclosure.

² Includes Pre-Fabricated and Pre-Engineered Buildings developed by Company

- review, with concurrence of the Investors. The Company shall necessarily share with the Investor copies of the: (a) harmonized framework; and (b) the annual LCA study report.
- 12.6. It is clarified that if the Company fails or is unable to comply with its obligations under this Clause 12, it would be a material breach of this Agreement.
- 12.7. The Company and the Subsidiaries shall appoint a Chief EHS / Sustainability Officer, in concurrence with the Investors, who shall be responsible to ensure that, at all times, the Company and its Subsidiaries:
- (a) are in material compliance with applicable Environmental Laws, Social Laws and ESA Laws;
 - (b) implement and maintain in all material respects, and continuously improve, an adequate Environmental and Social Management System in full accordance with the IFC Performance Standards, and including all required policies, procedures, management and monitor programmes and plans; shall consult with and obtain the approval of Investors on material changes to the Environmental and Social Management System;
 - (c) will obtain all approvals required under Laws referred to in Clause (a) and that such approvals are renewed from time to time and that the Company is in compliance with the terms and conditions of such approvals;
 - (d) are in compliance with this Clause 12; and
 - (e) promptly undertakes the necessary corrective actions in the event of any non-compliance with Applicable Laws referred to in this Clause 12, as identified by the Company, the Investors and the Governmental Authority.
- 12.8. The Company and / or its Subsidiaries and the Promoter Group shall be responsible to collect data and periodically report (in a format/template agreeable to the Investors) to the Investors on:
- (a) principle adverse impact indicators (**PAI**) on an annual basis no later than January 30 each year for indicator data in preceding calendar year. List of the PAI is set out in Schedule 9 (*List of Principal Impact Indicators*);
 - (b) environmental, health, safety, labour, governance, impact, climate, gender (together “ESG” performance indicators) within 15 (fifteen) days of the end of each quarter and on cumulative basis for entire a calendar year, no later than January 30 each year for indicator data in preceding calendar year.
- 12.9. At any time from the Effective Date, in the event the Company and/or its Subsidiaries and the Promoter Group anticipates collective dismissals/retrenchment of more than 10% (ten per cent) of the workforce and / or more than an aggregate of 50 (fifty) employees, it shall consult with Investors, prior to taking any such steps. The Company and/or its Subsidiaries and the Promoter Group further agree that, if required by Investors, it shall, on a commercially reasonable efforts basis, develop a retrenchment action plan to mitigate the adverse impacts of retrenchment in line with applicable Law, good industry practice, and based on the principles of non-discrimination and consultation in line with Performance Standard 2 issued by the International Finance Corporation.
- 12.10. The Company and/or its Subsidiaries shall remain in compliance with the E&S Requirements (as set out in Schedule 7 (*Code of Responsible Investing*), and with Applicable Law (including availability of valid applicable permits and licenses) and other standards as set out in Schedule 7 (*Code of Responsible Investing*), and with the policy on prohibited practices, as set out in Schedule 10 (*Policy on Prohibited Practices*), and shall at all times, comply with, and not engage in any activity in contradiction of such policy.

- 12.11. The Company and/or its Subsidiaries shall at all times have environmental and social policy and management systems to assess risks and impacts and have effective mitigation measures, including evaluation of environmental and social risks and carrying out suitable environmental and social studies prior to acquiring, investing, implementing a new project / company or entity.
- 12.12. The Company and / or its Subsidiaries shall not conduct business activities which would be classified under the IFC Performance Standards as Category A and Exclusion List in Schedule 7 (*Code of Responsible Investing*).
- 12.13. The Company and/or its Subsidiaries shall ensure that, at all times, it will not employ or make use of child labour and / or forced labor of any kind.
- 12.14. The Company and / or its Subsidiaries shall (and the Promoters shall procure that the Company shall) commit to the additional environmental social governance principles, objectives, policies, exclusion lists and management systems, as prescribed by the Investors from time to time. The Company and/or its Subsidiaries shall comply with environmental and social standards obligations on an on-going basis and notify Investors of any breaches thereof.
- 12.15. The Company and/or its Subsidiaries and the Promoter Group shall endeavor to implement the climate risk management, net-zero development impact indicators and gender action plan as set out in Schedule 11 (*Climate and Impact Indicators*).

13. MANAGEMENT INFORMATION RIGHTS

- 13.1. The Company shall maintain proper books of accounts and records of accounts in which entries shall be made of all its business transactions pursuant to a system of accounting established and administered in accordance with Accounting Principles and Applicable Law.
- 13.2. So long as any of the Investors holds any Equity Securities in the Company, the Company shall provide to the Investors, the following information and documents with respect to the Company:
 - (a) audited Financial Statements of the Company not later than 160 (One Hundred and Sixty) days of the end of every Financial Year, as applicable;
 - (b) internal quarterly income and cash flow statements and details of all pending and threatened litigation and correspondence with regulatory authorities not later than 40 (Forty) days of the end of each quarter of every Financial Year;
 - (c) Revenue, gross margin / EBITDA, net Debt, order book and cash flow of the Company not later than 20 (Twenty) days of the end of each month of every Financial Year, as applicable;
 - (c) copies of quarterly management internal reports within 40 (Forty) days after the end of each month, summarizing progress against the applicable Business Plan, including: (a) a comparison of the actual financial results and capital expenditures against the respective forecasts thereunder; (b) the extent of progress made by the Company in relation to the targets set out for the development of its business; (c) reports on material issues in relation to the Key Managerial Personnel and senior managerial personnel of the Company; (d) reports on key compliances in respect of Environmental Law, Social Laws and other matters which are important for the governance of the Company (including under the ESA Plan and the applicable ESA Law), along with any significant operational issues faced by the Company; and (e) details such as the orderbook and pipeline of the business, in order to provide a predictive analysis of the business;
 - (d) all the minutes of the meetings of the Board, Shareholders and committees of the Board and the information and documents tabled at such meetings, within 20 (Twenty) days from the date of the minutes of such meeting being finalized;
 - (e) an update on compliance matters discussed in Board meetings on a quarterly basis;

- (f) if any proceedings are initiated by or against the Company under the provisions of the Insolvency and Bankruptcy Code, 2016, including any application filed for the initiation of the corporate insolvency resolution process, promptly, but in any event within 10 (Ten) Business Days of the knowledge of the occurrence of such proceedings;
- (g) notice of appointment, termination of employment and / or resignation of any Key Managerial Personnel of the Company, promptly, but in any event within 10 (Ten) Business Days of such an event;
- (h) details of the creation of any Encumbrance on any Shares owned by any of the Promoter; and
- (i) such other financial and accounting information of the Company as the Investor may reasonably request from time to time.

Inspection and Audit Rights

- 13.3. The Company shall, subject to 5 (Five) Business Days prior notice to the Company and during Working Hours, permit the employees or authorized representatives of the Investors, including professional advisors, accountants and / or legal counsel of the Investor's choice, to visit and inspect the premises and properties of the Company, to examine and to discuss the affairs, finances, accounts, budget and operations of the Company, if any, with its Directors, Key Managerial Personnel, senior management, officers, employees, accountants, auditors, lawyers and bankers, and the Company shall promptly provide any and all reasonable assistance requested by the Investors in connection therewith. The travel costs incurred by the Investors in connection with such inspection will be borne by the Investors.
- 13.4. The Investors shall be entitled to share the information received in accordance with this Clause 13 with their Affiliates, subject to such Affiliates agreeing to treat such information as confidential.

14. TERM AND TERMINATION

14.1. Termination Provisions

14.1.1. This Agreement shall terminate:

- (a) at any time based on the mutual consent of the Promoters and the Investors; or
 - (b) automatically upon the Investors ceasing to hold any Equity Securities; or
 - (c) upon the winding up of the Company by resolution of Shareholders or by a final order of a court; or
 - (d) if the Closing does not take place and the Share Subscription and Purchase Agreement is terminated in accordance with the provisions thereof; or
 - (e) upon admission to listing and trading of the Equity Securities of the Company on a Recognised Stock Exchange in India or other jurisdictions,
- whichever is earlier.

14.2. Consequences of Termination

- 14.2.1. Upon and after the termination of the Agreement or on the occurrence of events specified in Clause 14.1.1, the Company and the Shareholders shall be entitled to take all necessary steps to modify the Charter Documents in order to reflect such termination.
- 14.2.2. Any termination of this Agreement shall not affect the accrued rights and obligations of the Parties under this Agreement.

14.3. **Fall Away and Survival Provisions**

14.3.1. Fall Away of Rights

In the event the Shareholding Percentage of the Investors falls below 5% (Five per cent.) of the entire issued and paid up Share Capital on a Fully Diluted Basis: (a) the Investors shall cease to have: (i) the right to appoint an Investor Nominee Director on the Board pursuant to Clause 3.2.2 (a); (ii) the rights relating to Reserved Matters, pursuant to Clause 4 and Schedule 3 (*Reserved Matters*); (iii) the right to appoint an Observer on the Board pursuant to Clause 3.2.2(e) (*Composition of the Board*).

In the event the Shareholding Percentage of the Investors falls to 1.99% (one point nine nine per cent.) or below of the then issued and paid up Share Capital on a Fully Diluted Basis: (i) the Investors shall cease to have the right to require the Company to provide on a monthly basis, the revenue, gross margin / EBITDA, net Debt, order book and cash flow of the Company under Clause 13.2 (c); and (ii) the reference to 7.5% in Clause 6.2.2. shall be substituted to mean 20% (Twenty per cent.) of the then aggregate paid up Share Capital of the Company on a Fully Diluted Basis.

14.3.2. Surviving Provisions

(a) Notwithstanding the termination of the Agreement, those provisions of the Agreement that are expressly specified to survive such termination including those contained in Clause 14 (*Term & Termination*), Clause 15 (*Representations and Warranties*) and Clause 18 (*Miscellaneous Provisions*), (hereinafter collectively referred to as the **Surviving Provisions**) shall survive the termination of this Agreement.

(b) Any termination of this Agreement shall be without prejudice to any rights and obligations of the Parties accrued or incurred prior to the date of such termination, which shall survive the termination of this Agreement.

15. **REPRESENTATIONS AND WARRANTIES**

15.1. Each of the Parties hereto (each a **Warranting Party**), represents and warrants, to the other Parties that:

(a) such Warranting Party has the full power and authority to enter into, execute and deliver this Agreement and to perform the transactions contemplated hereby and such Warranting Party (where applicable) is duly incorporated or organised with limited liability and existing under the relevant Laws of its jurisdiction;

(b) there is no action, suit, proceeding or governmental investigation pending against the Warranting Party, which questions the validity of this Agreement or the right of the Party to enter into this Agreement, or to consummate the transactions contemplated hereby, or which could reasonably result in any change in the current equity or preference ownership of the Warranting Party; and

(c) the execution, delivery and performance of this Agreement by such Warranting Party and the consummation of the transactions contemplated hereby will not: (i) violate any provision of the organisational, charter or governance documents of this Agreement Party, or (ii) violate any order, judgment or decree against, or binding upon, such Party or upon its respective securities, properties or businesses.

16. **NO MORE FAVOURABLE TERMS**

The Parties agree that without the prior written consent of the Investors, the Company and the Promoters shall not provide any other Person who holds lesser shareholding in the Company than the Investors) with more favourable rights than those provided to the Investors, and shall not, in any manner, prejudice any right, benefit or interest granted to the Investors under this

Agreement, and shall in no way grant any Person any right, benefit or interest superior to the rights provided to the Investors under this Agreement. The Parties also agree that no changes to any liquidity / liquidation preference waterfall or conversion rights of the Investors can be effected without the prior written consent of the Investors.

17. ANTI-DILUTION

Without prejudice to the Reserved Matter rights of the Investors, if, with the consent of the Investors, the Company raises additional equity from any Person other than the Investors and the effective price per common Equity Security is less than the effective price per common Equity Security at which Investors have invested, then the effective price per Equity Security held by the Investors on a Fully Diluted Basis will be adjusted to a price based on a broad based weighted average based adjustment regardless of the number of Equity Securities or equity security equivalents issued to such other Person.

18. MISCELLANEOUS PROVISIONS

18.1. Confidentiality

18.1.1. *Confidential Information* shall mean:

- (a) any and all non-public information relating to a Party and its Affiliates that any other Party and / or its Affiliates (herein the **Receiving Party**) comes to possess or know in connection with this Agreement (whether received prior to or after execution of this Agreement);
- (b) all information relating to the Business, operation, finances, intellectual property rights, know-how and activities of the relevant Party which under normal circumstances would be considered as business-sensitive or confidential by a reasonable and prudent business person;
- (c) (in relation to the obligations of the Investors) any information received or held by the Investors (or any of their Affiliates or representatives) relating to the Company and / or the Promoters (to the extent that such information is not already legitimately in the public domain);
- (d) (in relation to the obligations of the Company and the Promoters) any information received or held by any of the Company and / or the Promoters (or any of their Affiliates or Representatives) relating to the Investors and / or their Affiliates (to the extent that such information is not already legitimately in the public domain);
- (e) information whatsoever concerning or relating to: (i) any dispute or claim arising out of or in connection with this Agreement or the Transaction Documents; or (ii) the resolution of such claim or dispute;
- (f) information relating to the provisions of, and negotiations leading to, this Agreement and the other Transaction Documents; and
- (g) includes written information and information Transferred or obtained orally, visually, electronically or by any other means.

18.1.2. Subject to Clause 18.1.3 below, each of the Receiving Parties agrees with the other Parties that it will maintain absolute and complete confidentiality of the Confidential Information that it may receive or come to know of and shall use the Confidential Information only for purposes of discharging its obligations under this Agreement or under the Share Subscription and Purchase Agreement, and not for any other purpose. The Receiving Party agrees to share the Confidential Information only with such of its officers, employees, professional advisers and other representatives that need to know the Confidential Information, for purposes envisaged

under this Agreement and under the Share Subscription and Purchase Agreement, and not use such Confidential Information for any other purpose.

18.1.3. The Receiving Party undertakes and agrees to return the Confidential Information relating to any other Party, forthwith on receipt of demand from the relevant Party, without holding any copies in any form.

18.1.4. Clause 18.1.1. shall not apply to:

- (a) disclosures made on a 'need to know' basis with the Affiliates and advisers of the Receiving Party, where the disclosure is for a purpose reasonably incidental to this Agreement and / or the other Transaction Documents and subject to ensuring that such Affiliate and adviser treat such information as confidential;
- (b) disclosures required by Applicable Law or by any parliament, legislature or by any stock exchange or any regulatory, governmental or antitrust body (including any tax authority) having applicable jurisdiction (provided that the Receiving Party shall reasonably inform, and consult with, the other Parties of its intention to disclose such information and take into account the reasonable comments of the other Parties);
- (c) disclosure of Confidential Information which was lawfully in the possession of the Receiving Party or any of its Representatives (in either case as evidenced by written records), without any obligation of secrecy prior to it being received or held;
- (d) disclosure of Confidential Information which is or has become publicly available, other than through the Receiving Party's fault (or that of its Representatives);
- (e) disclosures required for the purpose of any arbitral or judicial proceedings arising out of this Agreement (or any other Transaction Document); or
- (f) disclosures required for the purpose of performing obligations or exercising rights (including remedies) under this Agreement or other Transaction Documents.

18.1.5. Notwithstanding anything to the contrary contained in this Agreement, the Investors and / or their Affiliates shall be permitted to disclose (whether on their website or otherwise): (a) that the Investors and / or their Affiliates have invested in the Company, including, without limitation a summary of the nature and purpose of their investment in the Company or social or employment indicators of the Company; (b) any information to the extent it is part of their normal reporting or review procedure or activities; and (c) any information which is already in the public domain.

18.2. **Variations and Amendments**

No amendment of this Agreement (or any Transaction Document) shall be valid unless it is in writing and duly executed by or on behalf of all Parties to it.

18.3. **Announcements**

Subject to Clause 18.1.5, no Party (nor any of its Representatives), or any other Person on its behalf, shall make or issue any formal or informal public announcement, press release, circular or other communication, in connection with the existence or subject matter of this Agreement (or any other Transaction Documents), or make a reference to any of the Parties (or their Representatives), without the prior written approval of the other Parties. This restriction shall not apply if and to the extent that the announcement, press release, circular or other communication, is required by law or by any stock exchange or governmental, regulatory or supervisory body or authority of competent jurisdiction. If this exception applies, the Party making or issuing the announcement, press release, circular or other communication, shall use its reasonable efforts to consult with the other Parties, in advance, as to its form, content and

timing, except in cases where such prior disclosure to, or consultation with, the other Parties could result in the disclosing Party being in breach of Applicable Law.

18.4. **Counterparts**

This Agreement may be executed in many counterparts, each of which shall be deemed to be an original but all of which shall constitute the same instrument. Any counterpart or other signature delivered by facsimile shall be deemed for all purposes as being good and valid execution and delivery of this Agreement by that Party. 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 counterpart in person.

18.5. **Entire Agreement**

This Agreement contains the whole agreement and understanding between the Parties with regard to the matters dealt with in this Agreement and supersedes any and all prior agreement, understanding, term sheet, arrangement or promises, whether written or oral, relating to the subject matter of this Agreement. The Parties expressly acknowledge that, in relation to the subject matter of this Agreement, each of them assumes no obligations of any kind whatsoever other than as expressly set forth in this Agreement.

18.6. **Severability**

A provision contained in this Agreement is enforceable independently of each of the others and its validity will not in any way be affected by the invalidity or unenforceability of any other provision hereof. If any of the provisions of this Agreement are found to be illegal or unenforceable, the Parties agree to discuss in good faith to make appropriate amendments to the Agreement to make such provisions legal and enforceable, keeping in mind the commercial and business interests of the Parties as envisaged herein this Agreement.

18.7. **No Assignment**

18.7.1. The Company and the Promoters shall not be entitled to, nor shall they purport to, assign or Transfer any or all of their rights and / or obligations under this Agreement and / or any of the Transaction Documents to which it is a party, nor grant, declare, create or dispose of any right or interest in it, in whole or in part, or create an Encumbrance thereon, save and except with the Investor’s consent.

18.7.2. The Investors shall be entitled, at any time, to assign and / or Transfer (in whole or in part) their rights and / or obligations under this Agreement and / or any Transaction Documents to which they are a party, and such rights may be enforced by, any of their Affiliates (a **Permitted Assignee**), if it were such Investor under this Agreement, without any restrictions whatsoever, upon prior written notice to the Company. For this purpose, the Permitted Assignee shall execute a Deed of Adherence. Any Permitted Assignee to whom an assignment is made in accordance with the provisions of this Clause 18.7.2 may itself make an assignment as if it were the Investor under this Clause 18.7.2. Provided further that such Transfer should not result in duplication of rights as between the relevant Investor and the Permitted Assignee, and all of such rights shall be exercised between such Investors and such transferee, as a single bloc. For the avoidance of doubt, there will be no duplication of rights granted to the Investors under this Agreement as a consequence of any Transfers or assignment by the Investors.

18.7.3. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, permitted assigns, executors and administrators.

18.8. **Further Acts and Assurances**

18.8.1. Each Party shall give such further assurance, provide such further information, take such further actions and execute and deliver such further documents and instruments as are, in each case,

within its power to give, provide and take so as to give full force and effect to the provisions of this Agreement.

- 18.8.2. Each of the Parties shall procure that its Affiliates comply with all obligations under this Agreement which are expressed to apply to any such Affiliates.

18.9. Waiver

- 18.9.1. The failure or delay of any Party to insist, in one or more instances, upon strict performance of the obligations of this Agreement or any Transaction Documents, or to exercise any rights or remedies provided under Applicable Law or under this Agreement or any Transaction Document, shall not be construed as a waiver, or relinquishment for the future, of such obligation or right, which shall remain and continue in full force and effect. No single or partial exercise of any such right or remedy shall preclude any further exercise of it or the exercise of any other remedy.

- 18.9.2. A breach of any term or provision of this Agreement shall be waived only by a written instrument of the Party or Parties entitled to the benefits thereof. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the Party granting such waiver in any other respect or at any other time.

18.10. Remedies

Unless otherwise provided in this Agreement, no remedy conferred by any of the provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at Law, in equity, by statute or otherwise, and each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, by statute or otherwise. The election of anyone of more of such remedies by a Party shall not constitute a waiver by such Party of the right to pursue any other available remedies. Notwithstanding the foregoing, if a Party makes appropriate claims for indemnification and is indemnified fully as per the Agreement, the relevant indemnified person is not permitted to make any further monetary claims in relation to the matter covered under the relevant indemnity. It is further clarified that the objective of such indemnification is to compensate the relevant indemnified person for Losses suffered and not for such person to make a profit.

18.11. Relationship

- 18.11.1. None of the Parties shall have any right power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or to otherwise bind, the other Parties except as specifically provided by this Agreement. Nothing in this Agreement shall be interpreted or construed to create an association or partnership between the Parties or to impose any liability attributable to such relationship upon any of the Parties nor, unless expressly provided otherwise, to constitute any Party as the agent of any of the other Parties for any purpose. No Party has the power or the right to bind, commit or pledge the credit of any other Party.

- 18.11.2. Each Party to this Agreement is an independent party and shall not be liable for any default of any other Party, nor shall default by one Party be deemed to be a cross default of another Party.

18.12. Costs

- 18.12.1. The Parties hereby agree that:

- (a) All costs and expenses related to any financial, tax and legal due diligence in relation to the transactions contemplated by the Transaction Documents shall be borne by the Company;

- (b) All costs and expenses related to any technical, commercial and ESG due diligence in relation to the transactions contemplated by the Transaction Documents shall be borne by the Investors;
- (c) All costs and expenses relating to the engagement of any legal, financial, technical and other advisers in relation to the transactions envisaged herein shall be borne by the Party engaging services of such Persons;
- (d) Stamp duty or such other charges, in relation to the execution of this Agreement, shall be borne by the Company; and
- (e) Subject to the above, all other costs and expenses in relation to the matters envisaged in this Agreement shall be borne by the Party that incurs the costs and expenses, unless agreed otherwise between the Parties.

18.13. Notices

18.13.1. All notices under this Agreement shall be written in English and signed by or on behalf of the Party and shall be delivered by hand, registered post or courier to the applicable Party at the contact details indicated below or to such other address and / or Person as any of the Parties may designate in writing, from time to time. A notice shall be effective upon receipt and shall be deemed to have been received at the time of delivery, provided that, where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of the Working Hours on the following Business Day. A scanned copy of the notice, document, or communication given by hand, registered post or by courier will be forwarded by email on the same day to the concerned Party's email address:

- (a) If to the Company / Promoters / Promoter Affiliates at:

Address: D-144 Sector 47, Noida Gautam Budh Nagar, PIN:201305, Uttar Pradesh, India

Email: sanjay@epack.in

Attention: Sanjay Singhania

- (b) If to the Investor 1 at:

Address: 2140, South Dupont Highway, Camden, Delaware-19934

Email: ops@gefcapital.com (with a copy to: snarayan@gefcapital.com)

Attention: Marta DeLaCruz

- (c) If to the Investor 2 at:

Address: C/O Orbis Trusteeship Services Private Limited, 4A Ocus Technopolis, Sector 54, Golf Club Road, Gurugram 122002

Email: trusteeship@orbisfinancial.in

Attention: The Compliance Officer

18.13.2. Delivery

Any notice, document, or communication in relation to allegations of any Party not performing its obligations, or in relation to an existing or threatened disputes, shall be sent through registered post and through registered courier with acknowledgement requested and through email at the address and coordinates provided by the relevant Party (or as informed by the relevant Party from time to time), even if such notice etc. is sent through any other mode.

Subject to the foregoing, all other correspondence between or among the Parties may be done in any other manner.

18.14. **Dispute Resolution**

18.14.1. Negotiation

Any dispute, difference, controversy or claim between: (a) the Company and the Promoters on the one side, and (b) the Investors on the other side (each a **Disputing Party** and together the **Disputing Parties**) arising out of or relating to this Agreement or the construction, interpretation, breach, termination or validity thereof (the **Dispute**) shall, upon the written request (the **Request**) to either Disputing Party served be referred to the authorized representatives of the Disputing Parties for resolution. The authorized representatives shall promptly meet and attempt to negotiate in good faith a resolution of the Dispute in the event that the Disputing Parties are unable to resolve the Dispute through negotiation within 60 (Sixty) days after service by a Disputing Party of a Request, then the Dispute shall be resolved in accordance with the provisions of Clause 18.14.2 below.

18.14.2. Arbitration

In the event that the Disputing Parties are unable to resolve a Dispute as provided in Clause 18.14.1 above, the Dispute shall be finally settled through arbitration under the rules of the Singapore International Arbitration Centre (the **Rules**) before a panel of 3 (Three) arbitrators, (one to be appointed by the Promoters, one to be appointed by the Investors, and the third arbitrator to be appointed by the 2 (Two) arbitrators so appointed) in accordance with this Clause 18.14.2.

18.14.3. Place, Enforcement and Proper Law of the Arbitration

- (a) The place of arbitration shall be New Delhi and all the arbitration proceedings shall be conducted in the English language in accordance with the Rules.
- (b) The award of the arbitral tribunal shall be final and binding on the Parties. The Parties shall co-operate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.
- (c) Judgment upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.
- (d) The Law of the arbitration shall be the Laws of India.

18.14.4. Costs

The costs, expenses, fees, disbursements and other charges of its counsel, in connection with the arbitration proceedings shall be borne and paid by the relevant Disputing Party engaging such counsel except as may be otherwise determined by the arbitrators in their arbitral award.

18.15. **Governing Law and Dispute Resolution**

18.15.1. This Agreement and any non-contractual obligations arising out of or in connection with this Agreement, including all matters relating to its validity, construction, performance and enforcement, shall be governed by and construed in accordance with Indian Law.

18.15.2. Subject to the provisions of Clause 18.14 (*Dispute Resolution*) the courts of New Delhi shall have exclusive jurisdiction over any Disputes occurring between Parties under this Agreement. For the avoidance of doubt, the courts in New Delhi, India shall have exclusive jurisdiction for the purpose of interim or interlocutory orders.

19. SUBSIDIARIES

- 19.1. All of the rights of the Investors with the Company (including but not limited to any rights of the Investors relating to the Reserved Matters and board representation rights) under this Agreement will be available to the Investors with respect to each Subsidiary (whether or not existing on the date hereof and as incorporated or acquired from time to time), in a manner and to the extent that such rights are available to the Investors (as applicable) in the Company as if such rights were specifically provided by each such Subsidiary to the Investors.
- 19.2. The Company shall ensure, and the Promoters shall procure that the Company shall ensure that the Investors are able to directly exercise all their rights in any Subsidiary in the same manner as set out in Clause 3 (*Corporate Governance*), and the memorandum of association and articles of association of such Subsidiary provide (at all times) for the Investors to directly exercise their rights under this Clause 19.2.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the day and year first hereinabove written.

Signed and delivered on behalf of

EPACK PREFAB TECHNOLOGIES LIMITED

EPACK PREFAB TECHNOLOGIES LIMITED
Sanjay Singhania
Director

Name: Sanjay Singhania

Title: MD & CEO

Signed and delivered by

Sanjay Singhania

Sanjay Singhania

Signed and delivered by

Leela Devi Bothra

Leela Devi

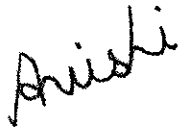
Signed and delivered by

Ajay Singhanian

Ajay DDSinghanian

Signed and delivered by

Avishi Singhania



Signed and delivered by

Divisha Singhania



Signed and delivered by

Nikhil Bothra

NB OR

Signed and delivered by

Suman Bothra

SB Suman Bothra,

Signed and delivered by

Laxmi Pat Bothra

L.B. 

Signed and delivered by

Preity Singhania

Preity Singhania

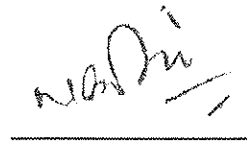
Signed and delivered by

Pinky Ajay Singhania

Pinky Ajay Singhania

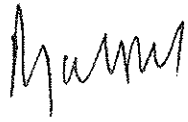
Signed and delivered by

Nitin Bothra



Signed and delivered by

Rajjat Kumar Bothra



Signed and delivered by

Bajrang Bothra

Bajrang Bothra

Signed and delivered by

Drishikka Singhania

Drishikka Singhania

Signed and delivered by

Arshia Singhania

As Arshia Singhania

Signed and delivered by

Araanya Singhania

AjajDDSinghania

Guardian

Signed and delivered on behalf of

Sanjay Preity Singhania Trust

For Sanjay Preity Singhania Trust

Sanjay Singhania
Trustee/Authorised Signatory

Name: Sanjay Singhania

Title: Trustee

Signed and delivered on behalf of

A A4P Trust

For AA4P TRUST

Ajay Singhania
Authorised Signatory/Trustee

Name: Ajay Singhania

Title: Trustee

Signed and delivered on behalf of

SOUTH ASIA GROWTH FUND III HOLDINGS LLC

Marta a De La Cruz

Name: Marta De La Cruz

Title: Authorized Signatory

Signed and delivered on behalf of

SOUTH ASIA EBT TRUST III

For Orbis Trusteeship Services Private Limited

Name: Poojan Baxi

Title: Authorised Signatory

SCHEDULE 1
PART A - DETAILS OF PROMOTERS

1. Sanjay Singhanian
2. Ajay DD Singhanian
3. Nikhil Bothra
4. Laxmi Pat Bothra
5. Bajrang Bothra

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PART B – DETAILS OF PROMOTER AFFILIATES

1. Leela Devi Bothra
2. Avishi Singhanian
3. Divisha Singhanian
4. Suman Bothra
5. Preity Singhanian
6. Pinky Ajay Singhanian
7. Nitin Bothra
8. Rajjat Kumar Bothra
9. Drishikka Singhanian
10. Arshia Singhanian
11. Araanya Singhanian
12. Sanjay Preity Singhanian Trust
13. A A4P Trust

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SCHEDULE 2

Key Managerial Personnel

1. Chief Financial Officer
2. Chief Operating Officer
3. Company Secretary
4. Head – ESG
5. Head – Design
6. Head – Project Management
7. Head – Manufacturing
8. Head – Business Development

SCHEDULE 3
RESERVED MATTERS

For the purposes of this Schedule 3, the term ‘Company’ includes reference to its Subsidiaries (existing or future).

1. Any adverse change in the rights and entitlements of the Investors in relation to its Securities.
2. Any winding up, liquidation, dissolution, amalgamation, consolidation, restructuring, reorganization, reconstitution or similar transaction, bankruptcy or insolvency, whether or not voluntary.
3. Commencement of any new line of business.
4. Any change in the issued, subscribed or paid-up equity or preference Share Capital of the Company (including a rights issue) and new issuance of Securities of the Company, redemption in case not approved earlier, buyback or repurchase of any Securities, issuance of convertible preference shares or debentures or warrants.
5. Grant of any options over its shares including employee stock options under any ESOP plan by the Company except for ESOP to non-Promoter employees representing up to 3% (Three per cent) stake at a valuation not lower than 30% (Thirty per cent) discount to Entry Valuation.
6. Changes in the memorandum or articles of association of the Company, except as contemplated under the Transaction Documents or which are not in furtherance of actions already approved by the Investors.
7. Sale of whole or material part of the Business of the Company (including physical assets and intellectual property).
8. Approval of Business Plan or annual budget.
9. Any action that results in Sanjay Singhania not being the managing Director of the Company and Nikhil Bothra not being an executive Director of the Company.
10. Guaranteeing the liability of any third party.
11. Any appointment, remuneration (including any change thereof), termination (with cause) or material deviation from the terms of employment of the Key Managerial Personnel).
12. Any change in the accounting policies of the Company.
13. Any capitalization of any reserves or share premium of the Company.
14. Declaration or payment of dividends or other distributions on any class of Securities of the Company.

15. Related Party transactions, including those with the Promoters or other Shareholders or any of their respective Affiliates and except those transactions already identified under the Financial Statements of the Company.
16. Public offerings of Equity Securities, including an IPO, and any matters approved by the IPO committee.
17. Any IPO where the upper end of the price band is lower than the subscription price of the Investors on a fully diluted basis under the Share Subscription and Purchase Agreement.
18. Any borrowing (including mortgage, pledge, hypothecation or grant of security interest) or issuance of debt securities (incurrence, issuance or assumption of any form of Debt) in excess of 10% from the applicable Business Plan.
19. Prepayment of any Debt in excess of the amount set out in the applicable Business Plan by more than INR 10 crore, cumulatively for any Financial Year.
20. Issuance of any guarantee(s) by the Company (excluding guarantees that are provided in connection with Debt availed by the Company) in excess of INR 30 crore cumulatively for any Financial Year;
21. Formation of Subsidiaries or joint venture or any investments / acquisitions, joint intellectual property development, out-licensing, or similar arrangement or execution, amendment, modification and termination of the joint venture agreements and other similar agreements.
22. Mergers, demergers, or spin-offs;
23. Capital expenditure that is higher than the amount set out in the applicable Business Plan by INR 25 crore.
24. Approval and modification of the applicable Business Plan including any deviations greater than 10% (ten per cent.) of operating revenues, EBITDA, net current assets / working capital
25. Unless provided for in the applicable Business Plan, sale, disposal, transfer, assignment, mortgage, pledge, hypothecation, grant of security interest in, subject to any lien, or otherwise disposal of any assets or securities of the Company in excess of that provided in the applicable Business Plan. This shall exclude any security interest created under the borrowing arrangements that are in accordance with the approved borrowing limits.
26. Changes in the composition of the Board including any appointment or removal of any Directors, and changes in the number of Board seats. This shall exclude any replacement of the Promoter nominee Directors (other than Mr. Sanjay Singhania and Mr. Nikhil Bothra).
27. Appointment (other than of the Identified Statutory Auditors) and removal of the statutory auditor.
28. Any change in the internal auditor other than the Identified Internal Auditors.

29. Any settlement with respect to any litigation or arbitration with a claim or liability in excess of INR 50 lakh.
30. Creation of any security interest in excess of INR 20 crores except in relation to its own Indebtedness.
31. Any political or charitable contribution exceeding INR 50 lakh in any given Financial Year, excluding any expenses undertaken to meet corporate social responsibility mandated by the Act.
32. Any action resulting in or creating or changing the off-balance sheet liability structure except to the extent approved for fund and non-fund-based borrowings or provided for in the applicable Business Plan.
33. Any Transfer of securities by the Promoters other than as contemplated in the Transaction Documents.
34. Any agreement by the Company to undertake any of the above actions.

SCHEDULE 4
FORM OF DEED OF ADHERENCE

This DEED OF ADHERENCE (“**Deed**”) is made on [●]

By and amongst:

- (A) [●] (“**New Shareholder**”, which expression shall include, where the context so requires, its successors and permitted assigns);

AND

- (B) **EPACK PREFAB TECHNOLOGIES LIMITED**, (formerly known as EPACK Polymers Private Limited), a public company with corporate identity number U74999UP1999PLC116066, incorporated under the Companies Act, 1956 and having its registered office at 61-B, Udyog Vihar Surajpur, Kasna Road, Gautam Buddha Nagar, Greater Noida, Uttar Pradesh, India – 201306 (“**Company**”, which expression shall include, where the context so requires, its successors and permitted assigns);

AND

THE PERSONS LISTED IN PART A OF SCHEDULE 1 HERETO (hereinafter referred to collectively as the **Promoters**, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include their respective heirs, executors and administrators or successors and permitted assigns (as applicable);

AND

THE PERSONS LISTED IN PART B OF SCHEDULE 1 HERETO (hereinafter referred to collectively as the **Promoter Affiliates**, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include their respective heirs, executors and administrators or successors and permitted assigns (as applicable);

AND

SOUTH ASIA GROWTH FUND III HOLDINGS, LLC (SAGF III or the Investor 1), [●];

AND

SOUTH ASIA EBT TRUST (EBT or the Investor 2), [●] (together with SAGF III, the **Investors**, which expression shall, unless it be repugnant to the subject or context or meaning thereof, be deemed to mean and include its successors and permitted assigns of Investor 2 or its Affiliates or both).

AND

WHEREAS:

- A. The New Shareholder has agreed to acquire the Sale Securities from the Transferor.
- B. The New Shareholder shall adhere to terms of the amended and restated shareholders’ agreement dated [●] and made between the parties named therein (“**Shareholders’ Agreement**”) by which the shareholders have agreed to provisions relating to the ownership of the Company and the conduct of its business.

NOW IT IS HEREBY AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Deed, the following words and expressions shall have the following meanings:

“**Sale Securities**” means [●];

“**Transfer Date**” has the meaning given to it in Clause 4.1 of this Deed;

“**Transferor**” means [●].

1.2. Interpretation

- (a) Unless the subject or context otherwise requires, the terms used but not otherwise defined herein shall have the meanings given to them in the Shareholders’ Agreement, as applicable.
- (b) The provisions of Clause 1 of the Shareholders’ Agreement shall apply to this Deed *mutatis mutandis*.

2. CONSENT TO SHAREHOLDERS’ AGREEMENT TERMS

- 2.1. The New Shareholder covenants, undertakes and agrees to the other parties to this Deed that, by its execution of this Deed it shall become a party to the Shareholders’ Agreement and that it shall be bound by the terms and conditions of the Shareholders’ Agreement, and shall assume, keep, observe and perform, duly and punctually, all the terms, covenants, undertakings, agreements, provisions and conditions in the Shareholders’ Agreement, as applicable, in accordance with the terms thereof.
- 2.2. The New Shareholder hereby confirms to the other parties to this Deed that, it has received a copy of the Shareholders’ Agreement and that all provisions under the Shareholders’ Agreement are incorporated by reference herein and deemed to be part of this Deed to the same extent as if such provisions had been set forth in their entirety herein, as applicable, in accordance with the terms of the Shareholders’ Agreement.

3. REPRESENTATIONS AND WARRANTIES

- 3.1. The New Shareholder represents and warrants to each of the other parties to this Deed, as follows:
 - (a) The execution of this Deed has been duly authorized and that such execution or compliance with its terms shall not now, or at any time in the future, conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default or require any consent under, any agreement or other instrument it has executed or by which it is bound, or violate any of the terms and provisions of its statutory documents or any judgement, decree or order or any statute, rule or regulation applicable to it.
 - (b) This Deed has been duly and validly executed by the New Shareholder, and constitutes legal, valid and binding obligations of the New Shareholder, enforceable against it in accordance with its terms.

4. UNDERTAKINGS

- 4.1. The New Shareholder undertakes to each of the other parties to this Deed that, it will, with effect from the time of completion of the transfer of the Sale Securities to it (“**Transfer Date**”) assume, perform and comply with each of the obligations of the Transferor under the Shareholders’ Agreement as if it had been a party to the Shareholders’ Agreement at the date of execution thereof [and both the Transferor and the New Shareholder shall be considered as a single block of Shareholders]³.

5. NOTICES

- 5.1. The address of the New Shareholder for the purpose of all notices under the Shareholders’ Agreement is:

New Shareholder

Address: [●]

Email: [●]

Attention: [●]

6. ASSIGNMENT AND TRANSFER

- 6.1. The parties hereto hereby acknowledge and agree that, save as provided in the Shareholders’ Agreement, no party shall have any right to assign, transfer or in any way dispose of the benefit (or any part thereof) or the burden (or any part thereof) of this Deed without the prior written consent of the other parties.

7. GOVERNING LAW AND JURISDICTION

- 7.1. This Deed shall be governed by and construed in accordance with the laws of India and shall be subject to the provisions of Clause 18.15 of the Shareholders’ Agreement.

AS WITNESS this Deed of Adherence has been executed on the day and year first before written.

[SIGNATURE BLOCKS TO BE INCLUDED]

³ **Note:** Bracketed portion to be included only if it involves a partial transfer.

SCHEDULE 5
ESA Plan

Environment and Social Action Plan (ESA Plan)

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
Corporate					
1	The Company has developed an integrated management system manual covering various Quality and EHS aspects relevant for the operations. However, the same is not aligned with the requirements of IFC PS.	The current integrated management system manual is only aligned with ISO management system requirements. The Company shall consider updating and integrating the existing manual on basis of requirements of IFC PS into a comprehensive ESMS, especially on the areas of stakeholder engagement and monitoring, review mechanisms and the other gaps identified in the relevant sections of the report.	EHS Head	Development of an Integrated Management system/ ESMS aligned with IFC PS framework preferably by hiring a third-party agency	6 to 12 months
2	The existing risk analysis does not completely align with the requirements of IFC PS 1.	As part of the ESMS, develop an internal E&S screening toolkit for assessing E&S risks and impacts of future developments including both greenfield assets as well as any brownfield expansions. The toolkit should also include triggers third-party/independent E&S due	EHS Head	Development of an internal E&S screening toolkit aligned with IFC PS framework preferably by hiring a third-party agency	6 to 12 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		diligences as well as detailed impact assessment studies (such as ESIAs)			
3	The Company needs to augment organizational EHS capacity and management oversight of EHS function.	The Company shall strengthen the EHS function by appointing a dedicated EHS Head at corporate level. EHS Head shall be responsible to oversee the implementation of ESMS, OHS procedures and other recommendations included in ESA Plan across the manufacturing units and the project locations of the Company	HR	Appointment of a suitably qualified and experienced professional as Corporate EHS Head, to the satisfaction of Investors. In addition, the Company shall nominate one (1) Managing Director/Executive Director to hold ultimate accountability and responsibility on the EHS/ESG performance of the Company. The nominee shall be responsible for keeping the Investors informed on the overall EHS/SG performance of the Company at minimum on six-monthly basis.	Immediate (within 5 months)

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
4	The unit level teams were noted to be not well equipped in terms of understanding and managing certain environmental and governance metrics especially waste segregation, waste disposal, annual return submissions and site specific ESG training programs.	Given the nature and scale of operations and the ongoing expansion in Unit IV and Unit II (extension area), the Company shall consider appointing a site level EHS manager to dedicatedly lead and manage all ESG efforts at the unit level. The Site level EHS team shall be adequately trained to manage the environmental and governance metrics especially the gaps identified in this report. The corporate EHS head, corporate ESG Head/Officer and the site EHS managers shall be adequately trained on the requirements of IFC PS, ESMS and related requirements applicable to the operations.	EHS head	Job description/ and vacancy advertisement (immediate, within a month) Hiring of a dedicated EHS manager across all three Sites	6 months
5	The current annual training calendar does not include topics such as waste management, chemical handling and spill control.	The annual training plan shall include comprehensive ESG topics applicable to operations including waste management, chemical handling and spill control.	HR Head / EHS head	Updated training calendar, training attendance sheets and training evaluation records to be shared with the investor.	6 to 12 Months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
6	The ERP does not identify site specific risks and impacts such as chemical fire (from storage of Polyether Polyols and paints), failure of oxygen storage tanks and chemical spillage. In addition, the ERP does not capture comprehensive mitigation measures for any of the identified emergencies. During the site visit, it was observed that Emergency exit signages were not available in the shop floor of all units. In addition, the emergency lights installed above the emergency exit (near the lathe machine and PUF panel manufacturing machine) in Unit IV were not functioning	Company shall ensure that the corporate level ERP is updated and includes comprehensive information on site-specific risks and the respective control measures.	Site EHS Manager	Site level ERP for all three sites to be shared with investor.	6 to 12 months
		The frequency of ERP training at the units shall be increased to at least once per quarter.	Site EHS Manager	Quarterly training to all workers on Site level ERP. The records of the same to be shared with the investor.	6 months
		- The Company shall also ensure that the ERP and the emergency evacuation maps are updated on a periodical basis (periodicity yet to be defined) to reflect the real time scenario at each of the units (including offsite emergencies). - Company shall ensure emergency exit signages are available in the shop floor across all units.	Site EHS Manager	Photographs of the updated site-specific emergency evacuation maps and emergency exit signages displayed on prominent locations to be shared with investor.	6 to 12 months
		Company shall ensure all the emergency lights in Unit IV are properly functioning	Site EHS Manager	Photographs of functional emergency lights across all	3 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		and device an effective monitoring mechanism for the same.		three units to be shared with investor.	
		Company shall install Fire Indicator Panel (FIP) or Manual Call Points (MCP) on the shop floor for Unit II and III.	Site EHS Manager	Photographs of Fire indicator panel and Manual call points to be shared with investor.	6 to 12 months
7	The current monitoring mechanism is only aligned to ISO management system and not IFC PS.	Company to implement a formal monitoring mechanism as part of the ESMS. The mechanism should include periodic review of SOPs in place.	EHS Head	Formal ESMS monitoring framework aligned with IFC PS framework preferably by hiring a third-party agency.	6 to 12 months
	Company has not developed a formal system (offline or a web-based system) for tracking validity and compliance status of all regulatory licenses and permits including social and	As part of ESMS the Company shall also develop auditing and review mechanism that comprises of a periodic internal auditing and inspection routine as well as an external independent review mechanism to assess the ESMS implementation status.	EHS Head		

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	environmental licenses. The status of E&S licenses and permits are locally tracked in excel spreadsheets at the unit level.	Company shall also ensure the existing SOPs developed as part of ISO certification are updated to the requirements of ESMS/IFC PS	EHS Head	Updated SOPs aligned with IFC PS framework to be shared with investor	6 to 12 months
		Company shall develop formal legal registers for all units	EHS Head	Snapshots of Legal register for ESG and status tracker preferably through an automated and IT driven platform to be shared with investor	3 months
		Company shall implement formal and automated tracking system for E&S permits and licenses at the corporate level and at the unit level.	EHS Head		
		The existing tracking of E&S metrics to be expanded to include other compliance and non-compliance against broader licenses and permits such as consent, factories license and other labour permits	EHS Head	Quarterly ESG MIS for all three units to be shared with investor	3 months
8	During the site visits, it was observed that no formal grievance redressal mechanism was in place for both external and internal stakeholders (employees and workers). As per the Company representatives, employees/	The Company should develop a Stakeholder Engagement Framework (SEF) in alignment with IFC PS 1 requirements (as part of the ESMS) and maintain necessary consultations and engagement records for all the respective units. The SEF shall be tailored to the	HR Head	Corporate and Site level Stakeholder engagement framework and Grievance Redressal Mechanism aligned with IFC PS	6 to 12 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	workers are encouraged to share their grievances during informal meetings organized on the shop floor. However, no records of such meetings were available for review.	characteristics and interests of identified stakeholders, include measures that allow effective participation of all identified stakeholders including those identified as vulnerable or disadvantaged. Company to develop and operationalize an internal and external Grievance Redressal Mechanism aligned with IFC PS1 taking into account the following: • Systems and channels for receiving grievances and acknowledging receipt of grievances. • Systems for communicating the received grievances to the designated Grievance Redressal Officer at each site. • Categorizing the grievances and identifying non-grievance. • Legitimate grievances to be directed to concerned departments for investigation. • Grievance investigation and time bound resolution mechanism including an escalation matrix.			

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		• Communication to the aggrieved on the time to be taken for resolution, after each level of escalation, • Communication on alternate modes of redressal as applicable Publicizing/ disclosing that the grievance mechanism exists (including on the company website)			
9	The Company does not disclose any ESG related metrics publicly.	As a good practice, the Company may consider including basic ESG aspects such as total renewable energy generation, safe man hours and health & safety training programs conducted in the ESG newsletters.	EHS Head	Monthly newsletters with ESG information to be shared with investor	3 months
10	The contract workers are not issued a formal employment letter and employment terms (such as Niyukti Patra) by the contractors. As reported, the contractors are mandated to comply with the requirements of labour laws through inclusion of legal clauses in the contract agreements. However, no audits to ensure such	Company shall ensure that the following contract terms are prescribed in the contract letters/Niyukti patra issued to contract workers: Name of employer, Title, date when employment begin, place of work, hours of work, overtime and related compensation, salary, wages, social security benefits, grievance redressal and collective bargaining arrangements.	HR Head	Contract workers employment letters (Niyukti Partra) to be shared with investor.	3 to 6 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	compliance is undertaken by the Company.	Company shall undertake periodic audit and track the terms of employment issued to contract workers and ensure relevant clauses on wages, leaves, working hours and social security schemes are included.		Periodic contractor audits to be undertaken and the audit reports to be shared with Board.	
11	The contract workers employed at all three Site's are being paid the ordinary rate of wages for the overtime hours	Company shall ensure all contract workers are paid twice the ordinary rate of wages for the overtime hours.	HR Head	Monthly contract labour wage slips, Overtime register and wage payment records to be shared with investor	3 to 6 months
12	Section 69 of the Factories Act, 1948 mandates that workers working in a factory are entitled to wages at the rate of twice the ordinary rate of wages for working more than nine hours in any day or for more than forty-eight hours in any week.	Company may consider appointing a third-party labor agency to undertake an initial one-time audit (immediate basis) and regular follow-up annual audits of contractors for ensuring compliance with labour regulations.	HR Head	Appointment of a third party to undertake one-time contract worker wage audit (immediate within a month). Findings and recommendations from the audit to be implemented as per timelines agreed	3 to 6 months
	However, as per the wage records, the contract workers employed at all three Site's are being paid the	Company shall ensure that twice the ordinary rate of wages is paid to the contract workers for overtime hours.		Subsequent follow-up audits on an annual basis to be undertaken by a third party	Annual basis

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	ordinary rate of wages for the overtime hours			to evaluate compliance with labour regulations.	
		Company shall also maintain comprehensive wage records of the contract workers and ensure periodical monitoring for efficient workforce management and protection of workers' right.		The reports of annual audits to be submitted to investor along with the monthly wage register, wage slips and the applicable minimum wage notification as per the State labour laws.	
13	Contract workers are not covered in ESIC from day one of joining. For the accident which took place on 06 Aug'23 in Unit III, Employees' State Insurance (ESI) claim was not made on behalf of the two contract workers (Mr. Surender and Mr. Ramamehar) who were critically injured in the accident. As reported by the site representatives, it was their second day of joining for them and thus ESIC registration number was not allotted.	Company shall ensure that employees are covered under the ESI Act from first day of joining and appropriate ESIC claims are made upon occurrence of any accidents.	EHS Head	ESI Registration Number and ESI claim records (for any accidents)	Immediate for any new employee
				Updated HR policies and the contractor agreements to mandate ESI registration from the day one of joining for contract workers to be shared with investor	3 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
14	Company has implemented Code of Conduct Policy which includes prohibition on Discrimination and Harassment in any form but has not developed Equal Opportunity Policy to ensure fair treatment.	Company shall develop and implement Equal Opportunity Policy across all units and align it with requirements of IFC PS 2.	HR Head	Equal Opportunity Policy aligned with IFC PS to be shared with investor	6 to 12 months
15	Company has a corporate-level POSH committee; however, the unit-level POSH Internal Complaints Committee (ICC) is yet to be established. In addition, the POSH Committee currently does not have any external member as required by the act. Additionally, committees for CSR, Nomination and Remuneration, Risk, Internal Complaints, Stakeholder Relationship, and ESG are not in place at either the corporate level or unit level	Company shall establish the POSH ICC committee at the unit level and include one external member. The minutes of Internal Compliance Committee should be documented.	HR Head	POSH committee details and ICC meeting minutes to be shared with investor.	3 to 6 months
		The Company shall also consider updating the existing code of conduct and POSH policies in alignment with BII's GBVH guidelines (https://toolkit.bii.co.uk/esg-topics/gender-based-violence-and-harassment/)	HR Head	Updated code of conduct and POSH policy aligned with BII's GBVH guidelines to be shared with investor.	3 to 6 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
16	Company does not have Retrenchment Policy as per requirements of Industrial Disputes Act 1946 & does not need to align it with IFC PS 2 requirements.	The Company shall develop Retrenchment Policy and align it with requirements of IFC PS 2. This shall contain the following: Analysis of alternatives to retrenchment If the analysis does not identify viable alternatives to retrenchment, a Retrenchment Plan will be developed. The retrenchment plan will be based on the principle of non-discrimination and will reflect the Company's consultation with workers, prior information to workers, and applicable severance and other payments in accordance with applicable laws.	HR Head	Retrenchment policy aligned with IFC PS to be shared with investor	6 to 12 months
17	Company does not have a policy on abolition of Child Labour	The Company shall develop an Abolition of Child and Forced Labor Policy and align it with requirements of IFC PS 2.	HR Head	Child labour abolition policy to be shared with investor	6 to 12 months
18	A unit level safety committee is not incorporated at all three units. No periodic safety committee meetings are conducted at the site level.	All units shall constitute a safety committee at the Site level and conduct periodic safety committee meetings.	EHS Head	Unit level safety committee and minutes to be shared with investor	3 months
19	Permit to Work system is not implemented across all three units.	Permit to Work system shall be implemented at all three units. Records	EHS Head	Permit to Work System, Register of Permits issued	3 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	Although, a SOP is in place and workers were noted to be trained on work permit system, it is yet to be implemented at all three sites.	of all issued and closed work permits shall be maintained for periodical review.		and closed to be shared with investor	
20	Pre-employment and Periodical medical surveillance are not undertaken for both direct and contract workers.	Company shall undertake pre-employment and periodical medical surveillance for all direct and contract workers.	EHS Head	Pre-employment and Periodical medical surveillance records to be shared with investor	3 months
21	The Company is currently not calculating scope 1, 2, and 3 GHG emissions for their operations.	Company shall calculate scope 1, 2 and 3 emissions of their operations and develop plans to further reduce its GHG footprint.	EHS Head	GHG emission inventory (Scope 1, 2 and 3) to be shared with investor	6 months
22	During visual reconnaissance, improper waste segregation (hazardous and non-hazardous) was observed in all units.	Company shall provide regular trainings to workers on waste management and waste segregation. The waste segregation practices should align with the requirements of respective Waste Management Rules.	EHS Head	Photographs of segregated waste generation yard and training records to be shared with investor	6 months
23	Monitoring of Embodied Carbon	The Company, in concurrence with Investors, on annual basis shall select key projects ⁴ in a calendar year to evaluate	EHS Head	The Company shall share with the Board copies of the: (a) harmonized	4-6 months for development of

⁴ Includes Pre-Fabricated and Pre-Engineered Buildings developed by Company

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		them using a harmonized LCA framework and establish comparative embodied carbon footprint with traditional / existing construction solutions to benchmark environmental performance. For these purposes, the Company shall engage a third-party service provider, chosen by the Investors, to develop a harmonized framework and methodology for calculating the carbon footprint of its projects (using embodied carbon and / or other similar metrics) basis the Life Cycle Analysis (LCA) ⁵ approach.		framework; and (b) the annual LCA study reports for projects evaluated in calendar year	harmonized LCA framework 1 st embodied report for select projects shall be submitted by Dec 2025. Subsequently on an annual basis thereafter.
24	OHS Action Plan OHS Action Plan	The Company, through EHS Head, shall implement the following prescribed OHS specific corrective actions across its manufacturing units and at various project/client location - A. Integrated Organization Structure	EHS Head	Documented Evidence of Compliance in form of Policies, procedures, training records, organizational structure	3-8 Months

⁵ LCA steps are outlined in International Organization for Standardization (ISO) standard ISO 14040. ISO 14040 provides an internationally accepted framework for conducting LCA. The scope of the LCA should be a cradle-to-grave assessment, from design to demolition over service life of 60 years. The LCA will follow the system boundaries A1–A4, B1–B7 and C1–C4 according to ISO 21930 for the building structure and enclosure.

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		To enhance safety management and efficiency, the Company should adopt an integrated organizational structure that promotes collaboration, accountability, and continuous improvement such as: Form a management committee comprising top-level executives to lead safety efforts. Assign clear roles and responsibilities for safety management, including planning, implementation, evaluation, and improvement. Hold line managers accountable for safety within their areas of responsibility. Ensure line managers are involved in planning, developing, implementing, and evaluating safety management systems B. Policies and Procedures Fire risk management program (FRMP): Implement a comprehensive fire risk management program, including risk assessment, prevention measures, emergency preparedness, employee training, regular inspections, and continuous improvement efforts. Management of Flammable Substances: SOPs and policies to manage the inflammable substances/cylinders. The Company should train people on the SOPs. As applicable, at relevant project locations, the Company to nominate		charts, minutes of meeting as relevant to be shared	

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		designated people to manage, handle, store flammable substances/gas cylinders in accordance with PESO regulations. Chemical Management Plan: Ensure a thorough understanding of chemical hazards and regulations. Begin with a comprehensive inventory and risk assessment, followed by the development of SOPs for handling, storage, and disposal, emphasizing safety training for each manufacturing unit and/or project location. Implement a clear labelling system and regularly monitor procedures, updating the CMP as needed			
	OHS Action Plan OHS Action Plan (Contd.)	The Company shall: Review and build uniformity and strengthen all the safety related policies. Undertake periodic reviews of the policies. Regularly use the policies and principles as working documents in meetings of senior management, in safety committee meetings and in project review meetings. To make the system robust and self-reliant, all policies must be stored in an online tool which the corporate must design through an expert vendor. It must be mandatory for all the new employees (especially at the project sites) to review	EHS Head	Documented Evidence of Compliance in form of Policies, procedures, training records, organizational structure charts, minutes of meeting as relevant to be shared	3-8 Months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		all the policies and SOPs and acknowledge the same online. During the pre-employment stage, only post their review and acknowledgement, they shall be allowed to commence with their technical training and work. For direct and indirect employees, a stipulated number of days must be issued within which all the employees must review and acknowledge the policies on an annual basis. C. Training and Development Conduct regular training sessions to help employees and workers recognize potential hazards in their work environment. This includes identifying chemical, physical, biological, and ergonomic hazards. Use real-life case studies and simulations to enhance understanding. In-house and third-party trainings must be conducted for the project level safety officers/EHS heads across all the shifts Identify an adequate number of employees to be trained in firefighting. This must include contract workmen as well. Ensure that the firefighting training includes both classroom and practical applications.			

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		Feedback Mechanisms: Create channels for workers to provide feedback on training programs and safety practices. Use surveys, suggestion boxes, and regular meetings to gather insights and improve the OHS framework continuously. Performance Metrics and Reviews: Establish clear metrics to assess the effectiveness of training programs and other initiatives. Regularly review performance data and adjust as necessary to ensure continuous improvement.			
	OHS Action Plan (Contd.)	D. Incident Investigation Develop an Incident Management framework that includes a comprehensive root cause analysis assessment. Must be implemented across all the manufacturing locations and project sites. The root cause analysis assessment must include the date of the incident, the name of the reporter, the severity of the incident or accident, whether it resulted in a fatality or lost time due to injury, the root cause of the incident or accident, the preventive measures to be taken	EHS Head	Documented Evidence of Compliance in form of Policies, procedures, training records, organizational structure charts, minutes of meeting as relevant to be shared	3-8 Months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		(which could be engineering or administrative), the responsible person to implement the preventive measures, training requirements, etc. The record keeping for all incidents needs to be monitored and periodically audited.			
25	Establishment of Board Risk management and ESG committee (RMEC)	Subject to Applicable Law and in addition to such Committees as presently constituted and/or as may be required to be constituted by the Company under Applicable Law, the Board shall constitute a risk management and ESG committee (the <i>RMEC</i>) to <i>inter alia</i> review the Company's adherence to its risk management framework as well as monitor compliance with the relevant Environmental Law, frameworks and the ESA Plan. The indicative terms of reference of the RMEC have been set out in Part A - Indicative Terms of Reference of RMEC of this document	Board	The board shall constitute a RMEC as per the terms of reference in Part A	Immediate (Within 3 months)
26	Compliance with National EHS Regulations and Code of Responsible Investing	The Company and/or its Subsidiaries shall remain in compliance with the E&S Requirements as set out in Part B - Code	EHS Head	The Company shall submit quarterly compliance reports against the	Ongoing basis

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		of Responsible Investing , and with Applicable Law (including availability of valid applicable permits and licenses)		applicable local E&S laws and requirements as set out in Part B	
27	Third Party Audit of the ESA Plan	The Company's and/or its Subsidiaries shall be subject to an environmental social governance audit on annual basis to review compliance on ESA Plan, conducted by an independent third-party service provider, at the Company's cost, approved by the Investors, in a form and manner satisfactory to the Investors.	EHS Head	Third party ESG/ESA Plan audit reports	Annual ESG Audit with first audit scheduled for the Year 2025
28	Reporting on ESG Incidents	The Company shall and the Promoters shall cause the Company to notify the Investors, promptly and in any case within a maximum of 48 (Forty Eight) hours after knowledge of the occurrence, of any social, labour, health and safety, security and / or environmental incident, accident or circumstance that in the reasonable opinion of the Company or the Promoters has, or which could reasonably be expected to have, any materially adverse: (a) social, labour, health and safety, security and / or	EHS Head	Formal notice/intimation of any ESG incident to the promoters within 48 hours after knowledge of such occurrence	Within 48 (Forty-Eight) hours after knowledge of the occurrence of ESG incident.

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		environmental impact; and / or (b) impact on the implementation or operation of the business of the Company and / or the Subsidiaries (existing or future), specifying in each case: (i) the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom; and (ii) the measures that are taken and / or will be taken by the Company and / or the Subsidiaries (existing or future) to address these issues and to prevent any similar event in the future (the <i>Safety Measures</i>). The Company shall, and the Promoters shall procure that the Company shall, to keep the Investors informed of the ongoing implementation of the Safety Measures.			
	Reporting on ESG Performance	The Company and / or its Subsidiaries and the Promoter Group shall be responsible to collect data and periodically report (in an agreeable format/template) to the Board on: Principle Adverse Impact indicators (PAI) on an annual basis no later than January 30 each year for indicator data in		Submission of PAI statement (as per Part C) on an annual basis before January 30 for the preceding calendar year.	Submission of PAI Statement on Annual Basis to Board with first statement submission due

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
		preceding calendar year. List of the PAI is set out in Part C of this document (List of Principal Impact Indicators); • Environmental, Health, Safety, Labour, Governance, Impact, Climate, Gender (together “ESG” performance indicators) within 15 (fifteen) days of the end of each quarter and on cumulative basis for entire a calendar year, no later than January 30 each year for indicator data in preceding calendar year.		Submission of ESG performance indicators data at the end of each quarter (within 15 days of the end of quarter) and for the entire year on a cumulative basis (before January 30).	in January 2026 for CY25. Quarterly and Annual ESG KPI Reporting to Board
30	Exclusion List	The Company and / or its Subsidiaries shall not conduct business activities which would be classified under the IFC Performance Standards as Category A and Exclusion List in Part D of this document	EHS Head	Submission of annual compliance statement against requirements	Ongoing basis

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
31	Retrenchment	At any time from the Effective Date, in the event the Company and/or its Subsidiaries and the Promoter Group anticipates collective dismissals/retrenchment of more than 10% (ten per cent) of the workforce and / or more than an aggregate of 50 (fifty) employees, it shall consult with Investors, prior to taking any such steps. The Company and/or its Subsidiaries and the Promoter Group shall, on a commercially reasonable efforts basis, develop a retrenchment action plan to mitigate the adverse impacts of retrenchment in line with applicable law and good industry practice	HR Head	Submission of Retrenchment Action Plan to Board	Ongoing basis
32	Climate Risk, Net Zero and Development Impact Monitoring	The Company and/or its Subsidiaries and the Promoter Group shall endeavour to implement the climate risk management, net-zero development impact indicators and gender action plan as set out in Part E of this document	EHS Head	Submission of annual compliance statement to requirements in Part E	Ongoing basis

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
SUPPLY CHAIN AND CONTRACTOR MANAGEMENT					
1	The Company does not conduct any ESG evaluation when selecting manpower contractors for its manufacturing units. However, the contract agreements were noted to include aspects around statutory compliance (ESIC and EPF) and occupational health and safety. Such contractors are required to submit the monthly records of EPF/ESIC payment (challan), bank statement for wage payments and the UTR details.	Company shall develop contractor evaluation criteria focused on ESG aspects such as compliance to labour laws, wages, working hours and ESIC related compliance. Assessment of contractors to be conducted before selection basis such criteria.	Procurement Head / EHS Head	Contractor evaluation criteria, Evidence of Supplier ESG audits and Supplier PO with ESG considerations included to be shared with investor	6 to 12 months
	The vendor selection process for project execution manpower contractors is based on previous experience, background verification, and references. However, these criteria are not formally documented, and no ESG-related clauses are included in the Letter of Intent (LOI) issued to selected vendors. The Company	Company shall ensure that the purchase order (LOI) issued to the project execution contractor includes ESG focused clauses such as wages, health & safety, environmental compliance, overtime compensation, abolition of child labour and forced labour and insurance. Periodical audit of such contractor should be undertaken to ensure compliance to such clauses.	Procurement Head / EHS Head	LOI with ESG considerations included Evidence of sub-contractor audits to be shared with investor	6 to 12 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	works with both vendors that are registered under ESIC/EPF and those that are not, without clearly integrating ESG or labor rights considerations into the selection and contractual processes.				
	Company obtains work compensation insurance policies for projects to cover medical expenses and compensation-related liabilities. However, based on observations from site visit to one of the project sites indicates that the coverage appears insufficient (with regards to number of employees covered). Based on a sample review of one of the project sites in Bangalore, the work compensation policy was noted to be obtained for 38 workers; however, the project site employed more than 60 workers during the site visit.	Company shall ensure that work compensation insurance policies are extended to all contractual employees associated with a particular project.	Projects Head / EHS Head	Work compensation policy covering all contractual employees associated with a particular project to be shared with investor (for all ongoing projects)	6 to 12 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	Company does not consider any environmental or social aspects while evaluating or screening material supply vendors prior to entering into a contract. Further, no supplier/vendor code of conduct is in place.	Company shall ensure that the purchase order (LOI) issued to distributors and project execution contractors includes ESG focused clauses such as wages, health & safety, environmental compliance, overtime compensation, abolition of child labour and forced labour and insurance.	Procurement head / EHS Head	Supplier screening and evaluation criteria to be shared with investor. Supply Chain Code of Conduct and evidences of acknowledgement received from suppliers to be shared with investor	6 to 12 months
	The purchase orders issued to material supply vendors only covers business-related terms (e.g., turnaround time, quality, and commercial aspects) and does not include any ESG consideration.	Periodical audit (annual basis) of material primary suppliers should be undertaken to ensure compliance to ESG focused contractual clauses.	Procurement head / EHS Head	LOI with ESG considerations included to be shared with investor	6 to 12 months
	The current audits of material suppliers is only focused on quality aspects (such as size, dimensions, and thickness). No ESG parameters are evaluated during such audits.	Company should develop a supply chain code of conduct that incorporates environmental and social criteria for monitoring its primary supply chain, along with procedures and mitigation measures to ensure that primary suppliers within the supply chain are taking steps to prevent or to correct life-threatening situations. Acknowledgment of code of conduct shall be obtained from suppliers.	Procurement head / EHS Head	Evidence of supplier audits to be shared with investor	6 to 12 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
UNIT – II (Greater Noida)					
1	CCA special condition 10 mandates the Company to operate DG sets on PNG and/or hybrid fuel on activation of Graded Response Action Plans (GRAP). GRAP was activated in NCR region from 15th Oct 2024, but the DG was found operating on diesel at the time of site visit. Further, the DG does not have ability to burn dual fuel.	Company shall retrofit the DG with a conversion kit or by using a dual fuel kit to operate it on PNG or hybrid fuel	EHS Head	Photographs of Retrofitted DG operated on dual fuel during the GRAP period to be shared with investor	6 to 9 months
2	Company had produced 19,101 MT steel structure in the prefabrication unit (~1592 MT/month) and 716, 526m2 puff panels (~59,710 m2/month) in Unit II during FY24. However, as per the Consolidate Consent to Operate and Authorization (CCA) issued by UPPCB on 24.07.2023, the maximum permitted production for steel structure is 500 MT/month and for Puff Panel is 8000 m2/month. Thus, the Site	Company shall apply for revised CCA for Unit II with amended production quantity based on current production quantity and future production projection trends.	EHS Head	Consent & Authorisation to Operate (Revised) obtained from State PCB to be shared with investor	3 to 6 months (Application to be submitted within a month)

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	has exceeded the maximum permitted production capacity.				
3	The water consumption exceeds the limit of 10 KLD as prescribed in the CGWA NOC.	Company (Unit II) shall apply for renewal of CGWA NOC with amended water extraction quantity.	EHS Head	CGWA NOC renewed to be shared with investor	3 to 6 months (Application to be submitted within a month)
4	Company (Unit II) is mandated to construct rainwater harvesting pit on the premises and the CGWA NOC directs the Company to annually recharge 6800 m ³ of rainwater, as per CCA special condition 16. However, the Company currently has no system in place for recharging groundwater.	Company shall construct rainwater harvesting system at Unit II to comply with the requirements of CCA and CGWA NOC.	EHS Head	Rainwater harvesting system drawings and layout to be shared with investor	6 to 12 months
5	The Company is not monitoring groundwater quality as required by the CGWA NOC.	Company shall ensure that groundwater quality monitoring is conducted for Unit II.	EHS Head	Ground water monitoring reports to be shared with investor	3 to 6 months
6	Unit II currently don't have STP and is discharging water in Sewer Lines. Unit II is mandated to have a Septic Tank as treatment facility	Company (Unit II) shall construct a Septic Tank to treat domestic wastewater before discharging it to sewer lines.	EHS Head	Septic tank drawings and layout to be shared with investor	6 to 12 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	for domestic effluent before discharging it into the Sewer lines by CCA issued by UPPCB on 27.04.2023, Condition 2. However, unit is directly disposing the domestic wastewater into sewer line.				
7	Unit II has not obtained Hazardous waste authorization under The Hazardous Waste (Management and Transboundary) Rules, 2016.	Company to obtain Hazardous waste authorization for all waste categories applicable to units. Generation and disposal records (Form 3 and Form 10) to be maintained for the hazardous waste.	EHS Head	Hazardous Waste Authorization received from State PCB, Form 3 and Form 10 to be shared with investor	3 to 6 months (Application to be submitted in a month)
8	Polyether Polyols chemical used for manufacturing of foam in the PEB panel process, was noted to be stored in barrels (~600 litres in Unit) at the site. As per the Material Safety Data Sheet (MSDS), Polyols has a flash point below 20oC, thus it is classified as Petroleum class A chemical based on the Petroleum Act, 1934. As required by the Act, a license is required for the storage of more	Company shall apply for a PESO License for the storage of Polyether Polyols chemicals in the unit premises.	EHS Head	PESO License under Petroleum Rules, 1976 to be shared with investor	3 to 6 months (Application to be submitted within a month)

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	than 30 litres of class A chemicals. However, the Company has not obtained a PESO license for the storage and use of Polyol.				
9	Actual average electricity consumption for the unit was noted to be 90,000 kWh/ month (~3,000KWh or >4,000Hp on daily basis). The same exceeds the maximum permitted power load of 1,000 H.P. mandated in their Factories License dt 13 Sep'2021.	Company shall apply for an amendment of the Factories License for increased power load.	EHS Head	Factory License with increased power load to be shared with investor	3 to 6 months (Application to be submitted within a month)
10	CEIG approvals not obtained for DG (500 KVA x 1) and Transformer (630KVAx1)	Company shall apply for a CEIG approval	EHS Head	CEIG approvals to be shared with investor	3 to 6 months (Application to be submitted within a month)
11	No fire safety infrastructure is available in the extension shed behind Plot No 13 where activities like manual power press, gas	Company shall undertake a fire infrastructure adequacy study from a competent person for Plot 13 & 14 and identify the necessary upgrades to existing fire infrastructure as required by	EHS Head	Appointment of a competent third party to undertake fire infrastructure adequacy study. The LOI to be shared with investor.	3 to 6 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	cutting and welding are carried out.	Uttar Pradesh Fire Prevention & Fire Safety Act, 2005.			
	Plot 14 (Prefabrication unit) is currently being operated without a Fire & Life Safety Certificate (as required by Uttar Pradesh Fire Prevention & Fire Safety Act, 2005) and does not have Fire Hydrant System in place.	To ensure safe working conditions in alignment with requirements of Uttar Pradesh Fire Prevention & Fire Safety Act, 2005 and IFC PS 2, the company shall extend fire safety infrastructure to the extension shed in Plot 13 and entire building of Plot 14 (basis the outcome of fire infrastructure adequacy study).	EHS Head	Upgraded fire infrastructure to be implemented in Plot No:13 within 6 to 8 months and a completion report attested by the competent third party.	6 to 8 months
	Fire pump and hydrant system at Unit II was not operational on the day of site visit. As per Company representatives, it was under maintenance in Unit II on the day of site visit.	Company shall also apply for a Fire & Life Safety Certificate for Plot No. 14.	EHS Head	Fire & Life Safety Certificate to be shared with investor	Application to be submitted within 3 months. Copy of application and acknowledgment to be submitted to investor
		Company to ensure that the fire hydrant system is operational round the clock. Annual audit of fire safety infrastructure to be conducted by a competent third-party agency.	EHS Head	Fire hydrant system logbook and periodic maintenance records showing the operational hours of fire pump and	Continuous Basis Annual basis

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
				pressure gauge readings to be submitted to investors. Annual third-party fire safety audit reports and mock drill records to be submitted to the investor.	
UNIT – III (Ghilot, Rajasthan)					
1	CTO Condition 15 restricts the Company from carrying out any surface treatment process like painting in the unit. However, painting activity (spray painting) was being carried out on the shopfloor during site visit.	Company shall apply for an amendment in the CTO for carrying out painting activity within unit premises.	EHS Head	Consent to Operate (amendment with permit for painting activity) received from State PCB to be shared with investor	3 to 6 months (Application to be submitted within a month)
2	Company (Unit II) is using an Ozone Depleting Substance-R22 as refrigerant gas in its 8 KV and 7 KV Chillers as well as in 9 Air Conditioners (1.5 T). ODS increases UV radiation exposure and associated health risks like skin cancer and cataracts. It also has a high Global Warming	Company (Unit II) shall implement a plan to phase out the use of R-22 refrigerant from Chillers and air conditioners.	EHS Head	Photographs for replacement of chiller refrigerant (name plate details and refrigerant procurement records) to be shared with investor.	3 to 6 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	Potential (GWP), exacerbating climate change.				
3	Unit III has not obtained Hazardous waste authorization under The Hazardous Waste (Management and Transboundary) Rules, 2016	Company to obtain Hazardous waste authorization for all waste categories applicable to units. Generation and disposal records (Form 3 and Form 10) to be maintained for the hazardous waste.	EHS Head	Hazardous Waste Authorization received from State PCB, Form 3 and Form 10 to be shared with investor	3 to 6 months (Application to be submitted within a month)
4	It was observed that some containers of chemicals (paints, thinner, and machine oil) were stored without secondary containment and placed on the floor without proper stacking system during the site visit.	Company shall ensure that no chemical containers are stored without secondary containment.	EHS Head	Photographs of Secondary containment for chemical storage to be shared with investor	3 to 6 months
5	Company has not installed any flow meter in the unit III and is currently not monitoring the quantity of water being extracted from ground. In addition, no flow meters has been installed at the STP outlet.	Company shall install flowmeters at the point of extraction to ensure that withdrawn water quantity meets the limit prescribed in the CGWA NOC. Flow meter shall be installed at the STP outlet too.	EHS Head	Photographs of flow meter to be shared with investor	3 to 6 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
6	The CEIG approval for the operational 750KVA DG and 1000 KVA transformer installed in Unit III is not available.	Company shall apply to the Rajasthan Electrical Inspectors seeking approval	EHS Head	CEIG approval to be shared with investor	3 to 6 months (Application to be submitted within a month)
7	As per Section 112 of Rajasthan factory rules, every factory building shall be examined by competent person for its structural stability. However, the building structural stability certificate not available for review. The site representative stated that building structural stability certificate will be shared on 30.11.2024	Company shall get the building examined by a competent person and obtain a structural stability certificate.	EHS Head	Structural stability certificate obtained from a competent person to be shared with investor	3 to 6 months
8	For the accident on 6 August 2023, the Site has not conducted any root cause analysis for the same so far.	A comprehensive accident investigation along with a root cause analysis need to be carried out for all accidents by internal team and such records be kept for review at the site. All corrective measures identified from such analysis shall be implemented in a time bound manner.	EHS Head	Accident investigation report and root cause analysis for accidents by the corporate EHS head. Reports to be shared with investor.	24 hours after occurrence of any accident

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
UNIT – IV (Mambattu, Tirupati, Andhra Pradesh)					
1	Company is constructing a new factory building adjacent to the operational building as part of expansion. The Company representative stated that construction of the same commenced during June'2024. However, Company has not applied for Consent to Establishment for expansion from APPCB for the ongoing construction activity.	Company shall apply for a CTE for expansion from the APPC	EHS Head	CTE for Expansion received from State PCB to be shared with investor	3 to 6 months (Application to be Submitted within a month)
2	Polyether Polyols chemical used for manufacturing of foam in the PEB panel process, was noted to be stored in barrels (~800 litres in Unit) at the site. As per the Material Safety Data Sheet (MSDS), Polyols has a flash point below 20oC, thus it is classified as Petroleum class A chemical based on the Petroleum Act, 1934. As required by the Act, a license is	Company shall apply for a PESO License for the storage of Polyether Polyols chemicals in the unit prem	EHS Head	PESO License received under Petroleum Rules, 1976 to be shared with investor	3 to 6 months (Application to be Submitted within a month)

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	required for the storage of more than 30 litres of class A chemicals. However, the Company has not obtained a PESO license for the storage and use of Polyol.				
3	No periodical work zone air quality monitoring is conducted at Unit IV. Extensive fumes and VOCs were noted to be generated in the shop floor from activities such as welding, gas cutting and painting during the site visit. It was also observed that adequate PPEs such as dust masks and gas masks were not used by workers within the shop floor.	Unit IV shall safeguard the health of worker by undertaking work zone air quality monitoring on a periodical basis. Further, Company shall ensure that use of adequate respiratory PPEs for fumes and VOC generating operations are mandated across all sites.	EHS Head	Work zone monitoring across the shop floor by a competent third-party agency. Reports of the same to be shared with investor. Photographs of mandated use of respiratory PPEs for activities such as welding, gas cutting and painting through PPE matrix and training programs to be shared with investor	3 to 6 months
4	Company has not installed any flow meter in the unit IV and is currently not monitoring the quantity of water being extracted from ground.	Company shall install flowmeters at the point of extraction to ensure that withdrawn water quantity meets the limit prescribed in the CGWA NOC.	EHS Head	Photographs of flow meter to be shared with investor	3 to 6 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
5	The Company is not monitoring groundwater quality as required by the CGWA NOC.	Company shall ensure that groundwater quality monitoring is conducted for Unit IV.	EHS Head	Ground water monitoring reports to be shared with investor	3 to 6 months
6	As per the Provisional Fire NOC certificate issued by A.P. State Disaster Response and Fire department on 09.10.2023, the site is required to store fire water of 1,50,000 Liters in Underground tank and 20,000 Liters in above ground tank. However, the Company has only installed two above ground water storage system of 50,000 Liters (25000 Liters x 2 tanks) in the current scenario.	Company shall construct an underground water storage of 1,50,000 liters capacity as required by the provisional fire NOC.	EHS Head	Layout and drawings for the construction of underground water storage tank of 1,50,000 litres capacity to be shared with investor	6 months
	In addition, the Provisional fire NOC mandates that the operations shall not be commenced without obtaining a NOC for occupancy. However, the site has commenced operations in Dec'2023 without an occupancy fire NOC.	Company shall also obtain Occupancy Fire NOC from the AP State Disaster Response and Fire Department.	EHS Head	Occupancy Fire NOC received from AP State Disaster and Fire Department to be shared with investor	3 to 6 months (Application to be Submitted within a month)

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
7	Fire pump and hydrant system at Unit IV was not operational on the day of site visit. As per Company representatives, it was still under installation and commissioning in Unit IV.	Company to ensure that the fire hydrant system is operational round the clock.	EHS Head	Fire hydrant system logbook and periodic maintenance records showing the operational hours of fire pump and pressure gauge readings to be submitted to investors.	3 to 6 months
ALL UNITS					
1	Lack of adequate Personal Protective Equipment was observed across all units (specifically in the following activities):	Company shall ensure that appropriate PPEs are identified for all processes and the same is implemented and rigorously followed at the shop floor. In addition, a PPE adequacy study and an updated PPE matrix should be developed in line with the observations.	EHS Head	Photographs of mandated use of PPEs for mentioned activities through PPE matrix and training programs to be shared with investor	3 months
2	All moving/rotating machineries having manual interventions (like H-Bending machine, Power Press, Hydraulic Press Brake and Automatic Roofing Sheet Making machine) lack Safety Light Curtains for auto cut-off and protecting people from bodily injury by stopping potentially	Company shall retrofit and install Safety Light Curtains in all rotating and moving machineries. The machine SOP and operational checklist to be updated.	EHS Head	Photographs of Safety light curtains installed at every moving machinery to be shared with investor Updated machine SOP and operational checklist to be shared with investor	6 to 12 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	dangerous processes when a person or object is detected within the designated protected area				
3	Finished PEB steel structures such as the beams and columns were observed to be stacked one on top of another in a haphazard manner and without adequate safety precautions. Accidental fall of such heavy beams and columns could result in potential injury to workers. The average weight of each such columns and beams was noted to be ~2 to 5T.	Company shall ensure safe working conditions for worker by stacking the finished products and beams properly with appropriate ties and ensuring that such areas are barricaded and restricted for non-essential movement. Company shall provide awareness training regarding the same to all workers and update the SOP for handling of heavy weight materials. Periodic walkthrough and internal safety audits shall be conducted at frequent intervals to ensure implementation of safe stacking practices.	EHS Head	Photographs of segregated and restricted storage area for finished beams and columns to be shared with investor. Photographs of storage of beams and columns with appropriate ties ensuring fall prevention to be shared with investor. Updated SOP and training records for PEB steel structure stacking to be shared with investor. Walkthrough safety audits reports by internal team to be shared with investor	6 to 12 months Once in 3 months
4	As per the Factories Act,1948, Section 21, every moving parts and hazardous parts should be securely fenced by adequate machine guard.	Company shall ensure that adequate machine guards are provided at every moving parts of machinery	EHS Head	Photographs of machine guards installed at all identified machinery to be shared with investor.	6 to 12 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	Lack of machine guard was observed across following machines- - Unit II-Punching machine, Profiling machine, Automatic Roofing Sheet Making Machine, Shredding machine - Unit III-Power Press machine, Manual Radial Drilling, Punching machine - Unit IV-Pneumatic press, bending machines, purlin structure forming machine cutter units, Shot blasting machine outlet conveyor			Updated machine SOP and operational checklist to be shared with investor	
5	Model Rules under the Factories Act, 1948 mandate that guillotine cutters and shears should be equipped with two-hand control, which was found bypassed at all three units with foot pedal operation in the following machines- - Unit II-Hydraulic shearing machine, Press Brake, CNC Sheeting machine, Bending machine, Power Press - Unit III-Shearing machine, Power Press	Company shall ensure that two-hand control is followed for all shears and cutters to prevent accidents or injury occurring during the operations and shall continuously make provisions for preventive and protective measures. The machine SOP and operational checklist to be updated.	EHS Head	Photographs of two hand controls reinstated at all identified machines to be shared with investor. Updated machine SOP and operational checklist to be shared with investor	3 to 6 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	• Unit IV-Shearing machine, Power Press				
6	As per the respective Factories Rules, No person shall be employed to operate a crane, locomotive or work-lift truck, or to give signals to a crane or locomotive operator unless his eyesight and colour vision have been examined and declared fit by a qualified ophthalmologist to work whether with or without the use of corrective glasses. However, the crane operator eyesight examination report and pre-employment or periodical medical surveillance records were not available for review.	The Company shall conduct an eyesight examination of the crane operator by a qualified ophthalmologist and maintain the report in Form 8C for Unit IV. Company shall ensure that pre-employment medical checkup of new crane operators includes eyesight examination	EHS Head	Form 8C and medical surveillance records for crane operators to be shared with investor	3 to 6 months
CLIMATE RISK SCREENING					
1	The climate risk screening undertaken as part of this assessment has indicated physical risks to the operating site locations	The Company shall consider undertaking a detailed Climate Risk Assessment by evaluation of physical and transitional risks through a competent third party.	EHS Head	Climate Risk Assessment Reports for each Site by a competent third party (to be completed by 8 months) to be shared.	6 to 8 months

S. No	Issue / Topic	Recommendation	Responsibility	Measurable Outcome	Timeline (effective from date of agreement)
	on aspects such as extreme heat and cyclone.			Mitigation measures from the outcome of this assessment shall be implemented by Company.	

PART A - INDICATIVE TERMS OF REFERENCE OF RMEC

1. *In relation to risk management functions:*

1. To formulate a risk management policy, which shall include:
 - framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the RMEC;
 - measures for risk mitigation plan including systems and processes for internal control of identified risks; and
 - Business continuity plan.
2. To ensure that appropriate processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To review the risk management policy in view of the changes in industry dynamics and evolving complexity; and
5. To review the action taken on its recommendations.

2. *In relation to ESG functions:*

1. to seek any information (data, reports and other relevant information on all ESG/EHS matters) it requires from any employee of the Company in order to perform its duties;
2. to oversee and supervise the Company and/or Subsidiary performance on all ESG matters including but not limited to the ESA Plan and the covenants under this Agreement;
3. to have access to relevant papers and records, in relation to the ESG matters of the Company, and to visit any Company premises and to talk to any member of the executive team or member of staff necessary to perform its duties;
4. to investigate or oversee any Company investigation relating to breaches of the Company's ESG policies;
5. to commission any reports or surveys, in relation to breach of ESG policy of the Company at the Company's expense, which it deems necessary in relation to its duties;
6. provide strategic advice and guidance to the board of directors in relation to systemic and strategic ESG issues which affect the Company's business model and strategy;
7. Monitor the implementation of the ESA Plan and any other corrective action plans that may be developed in due course to ensure the adequate implementation and continuous improvement of robust systems for monitoring ESG matters;
8. advise the management team on the appointment, removal and/or replacement of senior personnel responsible for the implementation, operation and maintenance of the ESG policies of the Company; and
9. Review and approve the Company's ESG policies and initiatives

PART B – CODE OF RESPONSIBLE INVESTING

The Company shall:

- operate in compliance with applicable local and national laws including laws covering environmental impacts, labour rights, social issues, corporate governance and those intended to prevent extortion, bribery, corruption and financial crime;

- operate in compliance with relevant international sanctions, including those of the European Union and the United Nations (“International Sanctions”)⁶;
- operate in compliance with Applicable Standards - means and include (a) IFC Environmental and Social Performance Standards 2012⁷; (b) IFC / World Bank Environmental, Health, and Safety General and relevant Sector Specific Guidelines as applicable⁸ (c) EIB Environmental and Social Standards; (d) DFC’s Environmental and Social Policy and Procedures; (e) International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work⁹; (f) Universal Declaration of Human Rights, (g) the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights¹⁰; and (h) British International Investment (BII)’s Policy on Responsible Investment (PRI)¹¹.
- implement management systems, appropriate to the size and nature of the business, that ensure a systematic approach to ESG risk assessment, addressing relevant risks, monitoring and reporting on progress and, to the extent possible, involving stakeholders¹²;
- ensure achievement of and continuous compliance with the Requirements or related Action Plan.
- ensure adequate management commitment, human and financial resources, and training to achieve effective and continuous environmental and social performance outcomes consistent with the fund’s requirements;
- seek improvement in the management of environment, health & safety, social and labor practices
- conduct detailed climate change risk studies/assessment in accordance with international best practise frameworks, implement short and long term mitigation measures and monitor on an ongoing basis the impacts to business and employees from physical risks, natural disasters and transitional risks

⁶ See http://www.hm-treasury.gov.uk/fin_sanctions_index.htm for a full list

⁷ See <http://www.ifc.org/performancestandards>

⁸ See <http://www.ifc.org/ehsguidelines>

⁹ Refers to The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); the Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); the Equal Remuneration Convention, 1951 (No. 100); and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

¹⁰ See www.un.org/Overview/rights.html (as relevant and applicable).

¹¹ See <https://assets.cdcgroup.com/wp-content/uploads/2021/12/14074359/Policy-on-Responsible-Investing.pdf>

¹² See IFC PS 1 for guidance

- The Company shall establish and maintain an environmental and social management system consistent with an overarching policy defining the environmental and social objectives and principles that guide the Company to achieve sound environmental and social performance, including compliance with Applicable Laws and Applicable Standards, including any applicable Action Plan

Working Conditions and Labour Rights

The Company shall:

- not employ or make use of forced labour¹³
- not employ or make use of child labour¹⁴;
- pay wages which meet or exceed industry or legal national minima and provide insurance coverage to the extent required as per Applicable Law;
- not discriminate in terms of recruitment, progression, terms and conditions of work and representation, on the basis of personal characteristics unrelated to inherent job requirements, including gender, race, colour, caste, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, marital status, membership of workers' organisations, legal migrants, or HIV status¹⁵;
- adopt an open attitude towards workers' organisations and respect the right of all workers to join or form workers' organisations of their own choosing, to bargain collectively and to carry out their representative functions in the workplace;
- provide reasonable working conditions including a safe and healthy work environment, working hours that are not excessive and clearly documented terms of employment¹⁶; and in situations where workers are employed in remote locations for extended periods of time to ensure that such workers have access to adequate housing and basic services

¹³ As covered by the ILO Forced Labour Convention (No. 29) and the Abolition of Forced Labour Convention (No. 105). See www.ilo.org/ilolex/english/docs/declworld.htm.

¹⁴ As defined by the ILO Minimum Age Convention (No. 138) and the Worst Forms of Child Labour Convention (No. 182). See www.ilo.org/ilolex/english/docs/declworld.htm

¹⁵ As covered by the ILO Equal Remuneration Convention (No. 100) and the ILO Discrimination (Employment and Occupation) Convention (No. 111), allowance could be made where positive discrimination is mandated in law and is intended to address a historical imbalance. See www.ilo.org/ilolex/english/docs/declworld.htm

¹⁶ Respecting any collective bargaining agreements that are in place or where these do not exist or do not address working conditions, make reference to conditions established, by collective agreement or otherwise, for work in the trade or industry concerned in the area / region where the work is carried out and local or national law

- in case employment generated indirectly through contracts or sub-contractors, then adequate controls to be setup to ensure compliance with labour law and working conditions related regulations.
- Develop and implement processes, mechanisms, and reporting frameworks to address and reduce issues and incidents related to Gender-Based Violence and Harassment (GBVH)¹⁷
- Report on GBVH incidents, if any, on a quarterly basis. Conduct training sessions for workforce on periodic basis to create awareness on workplace GBVH regulations, policies, reporting and grievance mechanisms etc
- Implement grievance and reporting mechanism for all direct and indirect workers, including sub-contractors (and their organizations, should they exist) to raise any workplace and GBVH concerns Inform workers of the grievance mechanism at the time of recruitment and make it easily accessible to all employees. The mechanism can allow for anonymous complaints to be submitted and will provide timely feedback without any retribution

Access to Remedy

- The Company shall:
- provide an appropriate grievance mechanism that is available to all workers and where appropriate other stakeholders; and
- implement a procedure for the reporting of wrongdoing and misconduct in the workplace that includes protection for the reporter and appropriate disciplinary action for anyone found to harass the reporter.

Health and Safety

- Safeguard the health and safety of all those affected by the Company's Business.
- Assess all potential health and safety risks arising from work activities and take appropriate measures to mitigate risks to health and safety.

PART C – INDICATIVE LIST OF PAI

¹⁷ GBVH is an umbrella term that includes a range of behaviours, including sexual exploitation, abuse and harassment; violence and harassment that is physical and/or psychological; and financial abuse. GBVH can be perpetrated as a one-off act or as an ongoing pattern of behaviour. <https://www.bii.co.uk/en/news-insight/news/new-guidance-for-the-private-sector-on-addressing-risks-of-gender-based-violence-and-harassment/>

S. No	INDICATOR	METRIC
1	GHG Emission	Scope 1 GHG emissions
		Scope 2 GHG emissions
		Scope 3 GHG emissions
		Total GHG emissions
2	Carbon Footprint	Carbon footprint
3	GHG Intensity Of Investee Companies	GHG intensity of company
4	Exposure To Companies Active In The Fossil Fuel Sector	Share of investments in company active in the fossil fuel sector
5	Share Of Non-renewable Energy Consumption And Production	Share of non-renewable energy consumption and non-renewable energy production of company from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources
6	Energy Consumption Intensity Per High Impact Climate Sector	Energy consumption in GWh per million EUR of revenue of company, per high impact climate sector
7	Activities Negatively Affecting Biodiversity-sensitive Areas	Share of investments with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas
8	Emissions To Water	Tonnes of emissions to water generated per million EUR invested, expressed as a weighted average
9	Hazardous Waste And Radioactive Waste Ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average

S. No	INDICATOR	METRIC
10	Violations Of UN Global Compact Principles And Organisation For Economic Cooperation And Development (OECD) Guidelines For Multinational Enterprises	Share of investments that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
11	Lack Of Processes And Compliance Mechanisms To Monitor Compliance With UN Global Compact Principles And OECD Guidelines For Multinational Enterprises	Share of investments without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
12	Unadjusted Gender Pay Gap	Average unadjusted gender pay gap
13	Board Gender Diversity	Average ratio of female to male board members in company, expressed as a percentage of all board members
14	Exposure To Controversial Weapons (Anti-personnel Mines, Cluster Munitions, Chemical Weapons And Biological Weapons)	Share of investments in companies involved in the manufacture or selling of controversial weapons

PART D - EXCLUSION LIST

The Company and/or Subsidiaries shall not pursue any of the following business activities:

1. Production of, or trade in, any product or activity deemed illegal under applicable host country laws or regulations or subject to internationally agreed phase-outs or bans as defined in global / international conventions and agreements such as:
 1. hazardous chemicals, pharmaceuticals, pesticides/herbicides and wastes (Rotterdam Convention, Stockholm Convention)¹⁷;
 2. polychlorinated biphenyl (PCB)¹⁸

3. ozone depleting substances¹⁹;
 4. wildlife or wildlife products²⁰;
 5. transboundary trade in waste or waste products²¹; and
 6. unsustainable fishing methods such as blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 kilometers in length;
2. Production of, or trade in, arms (i.e. weapons, munitions or nuclear products) including paramilitary materials;
 3. Production of, use of, or trade in, unbonded asbestos fibres²²;
 4. Production of, or trade in, radioactive materials²³;
 5. Any facility recycling waste electrical and electronic equipment (WEEE or "e-waste") classified as hazardous waste. For the avoidance of any doubt, the term "**hazardous waste**" referred in this paragraph includes a large range of WEEE containing hazardous components or substances, such as printed circuit boards, motors, plastic casings, cables and other components, insulation foam, cooling agents, flame retardants, activated glass and screen phosphors, cathode ray tubes (CRT), capacitors, batteries (Ni-Cd, mercury, lead), etc. Typical WEEE that are classified as hazardous waste may include:
 1. fridges, freezers, chillers and air conditioning units containing ozone depleting substances or cooling refrigerants (i.e. fluorinated hydrocarbons);
 2. obsolete monitors and televisions made with CRT glass that contains lead, beryllium,
 3. mercury, and cadmium
 4. Heat pump tumble dryers containing coolants which are hazardous
 5. Linear fluorescent tubes, compact fluorescent lamps and other non-linear gas discharge lamps
 6. Batteries that contain lead, mercury and cadmium
 7. Various types of WEEE containing persistent organic pollutants (POPs) above permitted amounts/concentrations, e.g. in plastic casings, cables, printed circuit boards, etc.
 6. Commercial logging operations for use in primary tropical moist forest or old-growth forest.

7. Production or trade in wood or other forestry products other than from sustainably managed forests;
8. Production or activities involving harmful or exploitative forms of forced labor²⁴/harmful child labor²⁵; or
9. production of or trade in, coal and related activities including without limitation, coal mining, beneficiation, power generation, trade, supply or infrastructure supporting to any of these;
10. Activities prohibited by legislation of the host country or by international conventions relating to the protection of biodiversity resources or cultural resources, such as, Bonn Convention, Ramsar Convention, World Heritage Convention and Convention on Biological Diversity²⁶
11. Marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats
12. Shipment of oil or other hazardous substances in tankers that do not comply with IMO requirements (IMO, MARPOL, SOLAS and Paris MOU)²⁷
13. Prostitution
14. Destruction²⁸ of High Conservation Value areas²⁹
15. Any activity involving significant altercation, damage or removal of way critical cultural heritage³⁰
16. Production and distribution of racist, anti-democratic or with the intent to discriminate part of the population.
17. Exploitation of diamond mines, and commercialization of diamonds, when the host country has not adhered to the Kimberley³¹, or other similar international agreements (actual or to be formed), on similar extractive resources.
18. Any sector or service subject to United Nations, European Union and/or French embargo without limitation
19. Retrofitting and rehabilitation of existing coal power facilities, including dual power plant
20. Oil extraction or trading
21. Oil transportation and storage
22. Oil refineries and distribution, including petrol stations
23. Construction of new or refurbishment, retrofitting and rehabilitation of dual-fuel HFO or diesel/gas and HFO or diesel/renewable hybrid power plants
24. Diesel-only decentralized energy solutions (including mini grids and commercial & industrial installations)

25. Diesel/renewable hybrid decentralized energy solutions (including mini grids and commercial & industrial installations) that do not meet the conditional investment criteria*
26. Stand-alone diesel generators
27. Gas extraction and trading
28. Gas power plants
29. Gas transport, storage, refining and distribution, including import/export infrastructure, and processing facilities (except for liquid petroleum gas (LPG) for cooking and heating purposes if conditional criteria below are met**)
30. Transport and related infrastructure (road, rail, port) where the primary use (>50% of handled tonnage) is fossil fuel transport.

Any businesses, if any of the following activities represents a substantial portion of such business³²:

1. Gambling, gaming casinos and equivalent enterprises;
2. Production or trade in alcoholic beverages (excluding beer and wine).
3. Production of or trade in tobacco or tobacco related products³³; or
4. Pornography.

In case of microfinance activities, the following items in addition to the Exclusion List:

1. production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.
2. production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples (as defined in Standard 7 of the performance standards (IFC PS))³⁴, without full documented consent of such peoples.

The above exclusions also apply to:

1. Financing an allowed activity that exclusively serves the extraction or production of fossil fuels (e.g. a solar plant for a coal terminal);
2. Financing companies or projects that exclusively provide services (including advisory), equipment, or other outputs to excluded fossil fuel activities (e.g. a company that exclusively provides construction services for oil exploration activities);

3. Financing companies or projects that exclusively produce goods for and/or provide goods to excluded fossil fuel activities (e.g. a company that exclusively manufactures machine parts for use in coal-fired power plants).

The following activities are eligible for investment only if the specified criteria are met:

*Diesel/renewable hybrid de-centralized energy solutions where:

- a. A renewable-only solution has been proven as not offering sufficient reliability or cost efficiency;
- b. The diesel element is supplementary and is subsidiary to and enabling, the renewable energy project, whilst maintaining on average over time a minority share (<50 % of power generation from fossil fuels in hybrid systems with the remaining portion from renewable energy and batteries);
- c. The majority of “expected” generation should come from renewables (i.e., actual production may differ based on primary energy resource, e.g., wind, solar or hydro);
- d. The specific greenhouse gas emissions of the project are lower than 500kg CO₂equivalent/MWh.

** LPG for cooking and heating purposes, including associated facilities for sourcing, transport, storage, bottling and distribution where:

- a. The investment is substituting other higher carbon intensive fuel sources;
- b. There is no economically and technically viable renewable energy alternative;
- c. The LPG is used for cooking and heating purposes only (industrial uses are excluded);
- d. There is a clear impact case in improved living standards, reduced air pollution and increased health of consumers compared to alternative fuel sources.

“Excluded Fossil Fuel Activities” means:

- (a) mining, prospecting or exploring for Fossil Fuels;
- (b) producing, processing or refining Fossil Fuels or using waste heat from the burning of Fossil Fuels whether by a Portfolio Company or a third party;

- (c) generating power or heat using Fossil Fuels, storing or transmitting that power or heat or refurbishing or rehabilitating power generation plants that use Fossil Fuels;
- (d) storing, transporting, distributing or trading in Fossil Fuels, or developing, acquiring, constructing, operating or maintaining any infrastructure for the storage, transport, distribution of, or trade in, Fossil Fuels;
- (e) CCUS;
- (f) engaging in Fossil Fuel Dependent Heavy Industry;
- (g) the production and provision of goods, services or other outputs (including advisory or financial services and utilities) for exclusive use in connection with any activity referred to in (a) to (f) above; and
- (h) the improvement of the efficiency, health and safety or environmental and social standards of any business engaged in any activity referred to in (a) to (f) above, but excluding any Permitted Fossil Fuel Activities.

“Permitted Fossil Fuel Activities” means:

- (a) using standalone fossil fuel generators (other than coal-burning generators) in the normal course of the Portfolio Company’s business where renewable-powered generators have been proven not to offer sufficient reliability or cost feasibility for the proposed use;
- (b) using liquefied petroleum gas (LPG) for cooking or heating or transporting, storing, distributing and trading LPG to be used primarily for cooking or heating or the development, construction, acquisition, operation or maintenance of associated facilities for the sourcing, transport, storage, bottling and distributing LPG to be used primarily for cooking or heating;
- (c) generating power from a captive power plant the energy source of which is any Fossil Fuel (other than coal), whether in whole or in part, which uses the power it generates for an application to which it is directly connected and does not deliver its power to the transmission or distribution grid, but only if:
 - (i) a Fossil Fuel producing the lowest greenhouse gas emissions that can feasibly be used, has been used;
 - (ii) the operator is transitioning to renewable power; and

- (iii) where the Portfolio Company's involvement is associated with an increase in energy use, that additional use will be met by renewable power, unless it is shown this would be technically or commercially unviable;
- (d) refurbishment, retrofitting and rehabilitation of any power plant to which paragraph (c) applies, provided that it is fueled by gas or liquefied gas and no other Fossil Fuel;
- (e) power generation, storage and/or transmission from mini grids but only if they are:
 - (i) powered only by renewable power; or
 - (ii) powered partly by Fossil Fuel (other than coal) and partly by renewable power and:
 - (A) a renewable-only powered mini grid has been proven not to offer sufficient reliability or cost feasibility in the context of the proposed application;
 - (B) a Fossil Fuel (other than coal) producing the lowest greenhouse gas emissions that can feasibly be used, has been used; and
 - (C) if an increase in capacity is proposed, that additional capacity will be provided by renewable power, unless it is shown this would be technically or commercially unviable
- (f) generating power from, or refurbishment, retrofitting and rehabilitation of, any power plant which:
 - (i) is fuelled by gas or liquefied gas and no other Fossil Fuel; and
 - (ii) delivers its power to the transmission or distribution grid;
 - (iii) meets the requirements of BII's guidance on alignment with countries' development pathways to net zero emissions by 2050 which may be found at: https://assets.cdcgroup.com/wpcontent/uploads/2020/12/12145227/CDC_GasGuidance_December2020.pdf.
- (g) the development, construction, acquisition, operation or maintenance of transportation (but not import or export), storage and distribution infrastructure where the primary purpose of such infrastructure is to support power generation from a power plant which satisfies the requirements in paragraph
- (f) above

(h) transportation by trains, ships, road vehicles and aircraft where less than 50 per cent of the handled tonnage of the vehicles (as a fleet) is Fossil Fuel;

(i) the development, manufacture, construction, acquisition, operation or maintenance of:

(i) transport infrastructure including airports, roads, railways, inland waterways and ports (sea and inland); and

(ii) trains, ships, road vehicles and aircraft, provided that in each case, less than 50 per cent of the handled tonnage of the infrastructure or the vehicles (as a fleet) is Fossil Fuel;

(j) CCUS but only if:

(i) it is not used for enhanced oil, gas or coalbed methane recovery, or any equivalent technology;

(ii) it is used in connection with gas-only fired power generation or for industrial or for industrial processes that burn any Fossil Fuel (other than coal);

(iii) it will significantly abate greenhouse gas emissions over the lifetime of the existing Fossil Fuel related assets; and

(iv) it will not significantly extend the life of existing Fossil Fuel related assets;

(k) engaging in Fossil Fuel Dependent Heavy Industry but, where it involves the burning of Fossil Fuels, only if:

(i) a Fossil Fuel (other than coal) producing the lowest greenhouse gas emissions that can feasibly be used, has been used; and

(ii) the operator is considering how to switch to lower emission technologies (including CCUS);

(l) decommissioning of Fossil Fuel related infrastructure.

(m) use of metallurgical coal to initiate chemical reactions (e.g. when mixed with iron ore to produce iron and steel) or as an ingredient mixed with other materials and the generation of heat as a by-product;

(n) the development, construction, acquisition, operation or maintenance of electricity or heat (hot air or water) transmission and distribution grids, but only if the electricity or heat is not solely generated by coal or oil; blending ethanol and biofuels in petroleum products;

(p) using hydrocarbons as alternatives to hydrofluorocarbons as refrigerant gases, foam blowing agents or for other uses where it significantly reduces greenhouse gas emissions;

(q) the conversion of any activity related to any Fossil Fuel into one which would not be an Excluded Fossil Fuel Activity on completion of the conversion;

(r) support to Fossil Fuel sectors to enable a just transition of workers and Fossil Fuel-dependent communities, limited to the just transition element of the investment only (for example, social dialogue, skills and retraining and bridging loans for the benefit of those workers and/or communities);

(s) methane detection and/or capture; and

(t) health, safety and environment training.

“CCUS” means carbon capture and storage and carbon capture, use, transport and storage.

“Fossil Fuel” means any fossil fuel including coal, oil (including heavy fuel oil, light crude oil or diesel) or gas (including liquefied gas);

“Fossil Fuel Dependent Heavy Industry” means industrial processes that:

(a) need high temperatures that can only be achieved through burning Fossil Fuel (such as manufacturing cement, ceramics, glass and paper); or

(b) use Fossil Fuel as feedstock but that do not produce fuels (such as manufacturing steel, detergents, waxes, lubricants, white oils and paint).

The Company and its Subsidiaries shall work towards:

- Developing a climate policy and framework that will help guide the company and its businesses towards a long-term climate goal
- Developing internal governance processes and procedures to evaluate climate impacts in key business decisions, new site developments, and operations (including supply chain) which will involve key decision makers of the businesses
- Undertaking a detailed Climate Risk Assessment (CRA) in alignment with Taskforce Climate-Related Financial Disclosures for all their new and upcoming Sites prior to finalizing the sites and implement the mitigation measures as deemed necessary
- Calculate and report on annual basis (for preceding calendar year) greenhouse gas ‘avoided/Scope 4 emissions’ (tCO₂e) through its products, by engaging a qualified third party and submit the same to the Investors

- Calculate and report on Scope 1 Scope 2 and Scope 3 emissions on an annual basis verified/ assurance statement through a qualified third party (first emissions results to be submitted latest by 31st January 30 of subsequent year for emission data of CY 25)

The Company shall consider working towards implementation of any improvements (if needed) that may arise from the GHG monitoring programme. The Company's Board will consider making efforts to arrive at a reasonable plan towards meeting net zero commitments.

¹⁷United Nations Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; World Health Organization Recommended Classification of Pesticides by Hazard. A list of pharmaceutical products subject to phase outs or bans is available at <http://www.who.int>. A list of pesticides, herbicides and other hazardous substances subject to phase outs or bans is available at <http://www.pic.int>

¹⁸PCBs: Polychlorinated biphenyls are a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950 to 1985

¹⁹As specified in the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer, see www.ozone.unep.org, as may be amended from time to time

²⁰As specified in the 1975 Convention on International Trade in Endangered Species or Wild Flora and Fauna ("CITES"), see www.cites.org, as may be amended from time to time

²¹Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, see <http://www.basel.int>.

²²This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

²³This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial or adequately shielded

²⁴Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

²⁵Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development

²⁶Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention) - <http://www.cms.int/>; Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention) - <http://www.ramsar.org/>; Convention Concerning the Protection

of the World Cultural and Natural Heritage - <http://whc.unesco.org/en/conventiontext/>; Convention on Biological Diversity - <https://www.cbd.int/>.

²⁷Non-compliance with International Maritime Organisation (IMO) requirements: tankers that do not have all required International Convention for the Prevention of Pollution from Ships (MARPOL), International Convention for the Safety of Life at Sea (SOLAS) certificates (including, without limitation, International Safety Management Code compliance), tankers banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU), and tankers due for phase out under MARPOL regulation 13G. No single hull tanker over 25 years old should be used

²⁸Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

²⁹High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).

³⁰Consists of internationally and nationally recognised historical, social and/or cultural heritage.

³²For companies, "substantial" means more than 10 % of their consolidated balance sheets or earnings. For financial institutions, "substantial" means more than 10% of their underlying portfolio volumes

³³Except, in the case of tobacco production only, with an appropriate timeframe for phase out

³⁴As specified in the IFC's Performance Standards on Social & Environmental Sustainability, dated January 1, 2012. The Performance Standards are publicly available on the IFC website

PART E - CLIMATE RISK MANAGEMENT AND IMPACT INDICATORS

The Company and its Subsidiaries shall work towards:

- Developing a climate policy and framework that will help guide the company and its businesses towards a long-term climate goal
- Developing internal governance processes and procedures to evaluate climate impacts in key business decisions, new site developments, and operations (including supply chain) which will involve key decision makers of the businesses

- Undertaking a detailed Climate Risk Assessment (CRA) in alignment with Taskforce Climate-Related Financial Disclosures for all their new and upcoming Sites prior to finalizing the sites and implement the mitigation measures as deemed necessary
- Calculate and report on annual basis (for preceding calendar year) greenhouse gas ‘avoided/Scope 4 emissions’ (tCO₂e) through its products, by engaging a qualified third party and submit the same to the Investors
- Calculate and report on Scope 1 Scope 2 and Scope 3 emissions on an annual basis verified/ assurance statement through a qualified third party (first emissions results to be submitted latest by 31st January 30 of subsequent year for emission data of CY 25)

The Company shall consider working towards implementation of any improvements (if needed) that may arise from the GHG monitoring programme. The Company’s Board will consider making efforts to arrive at a reasonable plan towards meeting net zero commitments.

Gender Inclusivity and alignment with 2X Challenge Framework

- To the extent possible and practicable, work towards promoting gender inclusivity and women employment within the organization to align its business activities with the 2X Challenge indicators.
- Meet at minimum one criterion listed under the ‘Leadership’ and the ‘Employment’ indicators of 2X Challenge framework as specified below:

Leadership Criterion:

To the extent possible and practicable, work towards:

- improving the share of women in senior management to 30% in a phase-wise manner
- maintaining a share of at least 30% women in the Board

Employment

To the extent possible and practicable, work towards:

- achieving an initial target of improving female representation in workforce upto 30% over the next 3-4 years; and
- implementing initiatives, policies, processes to advance women/inclusivity in the workforce.
- endeavor to periodically monitor review of the gender pay gap to close such gaps, if any in a phase wise manner

- commit to develop necessary internal policies, reporting, redressal and management systems to reduce gender-based violence and harassment (GBVH)³⁵ incidents should they occur;
- endeavor to conduct training sessions for workforce on periodic basis to create awareness on workplace gender-based violence and harassment regulations, policies, reporting and grievance mechanisms etc; encourage consultative workplace structures that provide employees with opportunities to present their views to management; and
- endeavour to implement grievance mechanism for all direct and indirect workers, including sub-contractors (and their organizations, should they exist) to raise any workplace and GBVH concerns. Inform workers of the grievance mechanism at the time of recruitment and make it easily accessible to all employees. The mechanism can allow for anonymous complaints to be submitted and will provide timely feedback without any retribution
- The Chief EHS/E&S/Sustainability Officer/Manager shall ordinarily serve as a single point of contact for all matters related to Impact Measurement, Management, and Reporting (IMM). Their key responsibilities will include:
 - Reporting IMM data as outlined below
 - Communicating and managing impact performance on quarterly/annual basis.

METRIC (ANNUAL)	REPORTING FREQUENCY
Absolute Scope 1, Scope 2, Scope 3 emissions (tCO2)	Annual
Net GHG emissions avoided/reduced by measuring embodied carbon during the reporting period (tCO2e) from the Projects executed in a financial year	Annual
Total Number of Projects executed in a financial year (across various business units/segments) Total Number of Projects in Residential Sector in Tier 2/Tier 3 cities executed in a financial year	Annual
Total number of employees that received the training on ESG/Sustainability	Annual

# Total Number of Employees by type (FTE, contract, temporary, trainee, temporary, senior management, and board) alongwith gender-wise split across Corporate and Manufacturing facilities	Annual
Total Safe Working Hours in a Calendar Year	Annual
Number of Lost Time Incidents/Near-Miss/Fatalities across Corporate Office, Manufacturing facilities and Project Construction sites	Annual
% Attrition total and gender-wise split (for Corporate and Manufacturing facilities)	Annual

³⁵ GBVH is an umbrella term that includes a range of behaviors, including sexual exploitation, abuse and harassment; violence and harassment that is physical and/or psychological; and financial abuse. GBVH can be perpetrated as a one-off act or as an ongoing pattern of behavior.

SCHEDULE 6

Corporate Governance Action Plan

The Company's Corporate Governance framework and policies shall include the below matters:

1. Business Integrity

The Company shall:

- a. uphold high standards of business integrity and honesty;
- b. adopt and implement policies to prevent extortion, bribery, fraud, corruption and financial crime in accordance with local law requirements and international best practice¹⁸;
- c. properly record, report and review financial and tax information¹⁹;
- d. establish corporate governance practices appropriate to the size and nature of the business;
- e. deal with regulators in an open and co-operative manner; and
- f. use information received from its business partners only in the best interests of the business relationship and not for personal financial gains by any worker.

2. Anti Bribery, Anti Corruption, Anti Money Laundering and Sanctions

- a. The Company, its Directors, officers, employees, while acting on behalf of the Group Companies or in connection with its business, shall ensure that they do not violate any Anti-Corruption Laws, any Anti-Money Laundering Laws or any Sanctions, and shall ensure that they do not take or cause to be taken, directly or indirectly, any action or inaction that would cause the Company, its Directors, officers, employees, while acting on behalf of the Group Companies or in connection with its business, shall ensure that they do not violate any Anti-Corruption Laws, any Anti-Money Laundering Laws or any Sanctions. The Company shall maintain adequate internal policies to procure compliance with this Section.
- b. The Company shall adopt and maintain accounting standards and procedures as are necessary to ensure that they make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of Company; and shall maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) no off-the-books accounts are maintained; (ii) assets are used only in accordance with management directives; (iii) the integrity of financial statements is maintained; (iv) transactions are recorded as necessary to permit the auditor of Company to prepare financial statements in conformity with Indian accounting standards (as amended from time to time) or any other accounting practice determined by the Board, and to maintain accountability for assets; (v) access to assets is permitted only in accordance with the general or specific authorization of the Board and the managing director; and (vi) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- c. The Company and its respective directors, officers, employees, shall not lend, contribute, invest, pay or otherwise make available any monies to any person (including any specially designated national or blocked person as identified by the US Department of Treasury) in

¹⁸ Promotes compliance with the UK Bribery Act 2010

¹⁹ Should as a minimum report to local reporting standards and should make progress towards internationally recognised accounting standards

violation of any Sanctions applicable to the Company. The Company and its respective directors, officers, employees, shall not conduct, or enter a contract to conduct, any transaction or business activities with the Governmental Authorities, agents, representatives or residents of, or any person based or resident in, countries or territories that are subject to territorial Sanctions applicable to the Company.

- d. The Company shall not, at any time, enter into any transaction or engage in any activity prohibited by any resolution of the United Nations Security Council under Chapter VII of the United Nations Charter or debarred by the World Bank Group (www.worldbank.org/debarr).
- e. The Company shall ensure that each owner of 10% (ten per cent) or more of the shares or other beneficial interests in such Company or the Subsidiary, its senior management officials, and directors are not considered as Sanctioned Persons (with the exception of public listed companies, where such screening is required for each of the foregoing persons and entities whose names are publicly available).
- f. The Company shall institute, maintain and comply with internal procedures and controls in compliance with the Financial Action Task Force (FATF) recommendations and standards, as amended and supplemented from time to time.

3. Risk Management and ESG Committee

Subject to Applicable Law, the Board shall constitute a risk management and ESG committee (the **RMEC, as mentioned in the ESA Plan**) to *inter alia* review the Company's adherence to its risk management framework as well as monitor compliance with the relevant Environmental Law, frameworks and the ESA Plan. The indicative terms of reference of the RMEC have been set out in Part A of the ESA Plan (*Indicative Terms of Reference of RMEC*).

The Company and/or its Subsidiaries and the Promoter Group shall implement the ABC plan and framework.

3.1. Creation of a Risk Management Framework

- The Company will set up an appropriate Risk Management Framework that will have specific details on how the Company interacts with third party vendors including agents, consultants etc.
- The Company will also set up a risk management committee with appropriate representatives appointed to such committee). The role of this Committee among other aspects will cover reviewing the Company's adherence to the Risk Management Framework.
- The Company shall undertake: (a) an annual review of its Risk Management Function; and (b) once in 18 (eighteen) months, an overall corporate governance audit through a third party.

4. Anti-Corruption Laws

- The Company shall, and shall procure that its Subsidiaries, and its and its Subsidiaries' representatives, executives and authorised persons shall, comply with the Anti-Corruption Laws and shall implement all actions set out in the appropriate compliance framework mutually agreed between the Parties ("**ABC Framework**") within the timeframe of 3 to 6 months set out thereunder.
- The Board of the Company shall:
 - a. oversee implementation of the ABC Framework;

- b. receive quarterly reporting from management on implementation of the ABC Framework across the Company; and
- c. appoint consultants to investigate breaches of the ABC Framework at corporate and project levels.

5. Recommendations to enhance ABC Framework (Part A)

#	Process	Suggested Recommendation
1	Establishing a comprehensive CoC	• It is recommended to obtain the signature and acknowledgement on the CoC from third parties such as vendors and suppliers and employees involved in the dealings with the company at the time of onboarding and annually and the Company should consider including a section in the CoC to include the same. • It is recommended to include a clause on mandating regular training sessions for employees on the CoC and associated policies, ensuring all employees understand their responsibilities and consequences of non-compliance. • Target should organize annual training sessions focused on the CoC. To facilitate this, meeting invitations should be systematically distributed to all relevant personnel well in advance of the training dates. An attendance register must be meticulously maintained to keep track of participants and ensure full compliance. Additionally, comprehensive training materials should be prepared and distributed to attendees, either in digital or print format, to enhance understanding and retention of the key concepts covered. All these elements—meeting invites, attendance records, and training materials—should be carefully documented and stored for future reference and accountability. • It is suggested to incorporate a dedicated section within the CoC specifically addressing the compliance expectations, ethical standards, and conduct guidelines for third parties such as vendors and suppliers engaged with the Target. • It is recommended to enhance CoC to include case studies illustrating moral dilemmas in business operations, including guidance on ethical decision-making, which could assist employees in navigating complex ethical choices. Consider including a FAQ section for employees with situation-based scenarios as reference. • It is recommended to enhance CoC to include provision regarding the giving of gifts to employees and third parties. It should specifically provide the permissible limit for giving of gift and any gift exceeding the permissible limit should require prior approval from the board of the company and justification for the same should be documented in the gift register. • It is recommended to maintain a centralized register where all gifts given or received are recorded with details such as value, purpose and recipient. Further the CoC should

#	Process	Suggested Recommendation
		be enhanced to specifically require employees to disclose gifts, especially those given to or received from government officials or high-risk vendors. • It is recommended to enhance CoC to include examples of potential conflicts of interest that employees may encounter. Clear instructions on disclosure procedures and obtaining approval to manage such conflicts should also be included. • The company should develop comprehensive Standard Operating Procedure (SOP) for charitable contributions and political donation. These SOPs should clearly outline the types of contributions that are permissible and establish defined limits for such contributions to ensure transparency and compliance with legal standards. The policy should explicitly state that the authority to approve all charitable contributions resides solely with the Board of Directors. It should also emphasize that no employee is authorized to make contributions on behalf of the company without prior approval from the Board. Additionally, the SOPs should include guidelines for documenting and reporting contributions to ensure full transparency and facilitate regular audits. Furthermore, the SOPs should include specific restrictions on making the political donations. • CoC should be enhanced to maintain comprehensive records of all interactions with government, such as meeting agendas, attendees, discussions, and outcomes. • The CoC should include procedures for its periodic review, revision, and updates to align with evolving laws and industry standards.
2	Reporting of concerns	• It is recommended that the Target establishes reporting channels to ensure comprehensive coverage and accessibility for all stakeholders. Such formal channels provide anonymity to the reporters, and a systematic and documented approach to addressing concerns. Therefore, it is suggested to establish a reporting channel, such as a hotline or designated email. • It is recommended that the company may define the minimum information/evidence required from whistle-blower to facilitate appropriate action by Company. Company may also include a checklist for minimum information required for reporting concerns. • It is recommended that the company enhances the section on the Reporting of concerns to include the investigation process. Describe how reports will be received, assessed, and investigated, including timelines and the roles of specific personnel or departments. • It is recommended that the company enhances the section on the Reporting of concerns to outline how whistleblowers will be informed about the progress and outcome of their reports, maintaining transparency while respecting confidentiality.

#	Process	Suggested Recommendation
		- It is recommended that the company enhances the section on the Reporting of concerns to clearly state the organization's commitment to protecting whistleblowers from retaliation, including disciplinary actions against those who retaliate. - It is recommended that the Company should consider strict disciplinary action by in case of "false" allegations. However, there may be cases where complaints are made in good faith but did not necessarily result in an investigation. Hence, Company should consider defining the same in the policy.
3	Travel Policy	- The Travel Policy of the Target should be updated to incorporate a provision stating that employees are prohibited from making cash payments exceeding a specified monetary threshold. Furthermore, the policy should explicitly state that employees are not permitted to make any statutory payments to government entities using personal or company funds. - Travel policy should be enhanced to include examples to illustrate what types of payments are permissible and which are not. - Explicitly forbid reimbursement for gifts, hospitality, or payments other than official travel and conveyance expenses - It is advisable to have corporate credit cards to ensure that all the expenses made by the employee on behalf of the company are tracked. - Implement a multi-level approval process for high-value or high-risk reimbursements. Require managers to thoroughly validate the authenticity of expenses before granting approval. - It is also recommended to ensure that all employee reimbursements are made via bank transfers to their respective accounts, with no reimbursements provided in cash. - Implement a monitoring system to ensure adherence to the policy. This could involve regular audits of travel expenses and requiring receipts for all transactions, thus fostering a culture of accountability.
4	Third Party Intermediaries ('TPI')	- The Target should implement procurement policy to outline the procedures for procurement of materials, detailing the step-by-step process that the team must follow involving the onboarding of the third parties. The policy should include the procedures for onboarding third parties such as pre-onboarding due diligence, compliance and ethics training amongst others. - The Target should conduct due diligence of high-risk vendors such as vendors involved in interactions with government customers and regulatory bodies, encompassing financial and reputational aspects among other areas, before onboarding them. Further, clarifications should be sought from vendors in case of any adverse findings.

#	Process	Suggested Recommendation
		• Robust due diligence protocols for interactions with Politically Exposed Persons ('PEPs') should be established. Further, guidelines for engaging with PEPs, outlining thresholds and approval processes should be included. • Continuous monitoring and periodic reviews of high-risk vendor relationships should be conducted to maintain vigilance and promptly address emerging risks. • Ensure payments routed through TPIs to government entities are supported by official government challans. • It is recommended that the Target should include standard practice of obtaining and comparing quotations from multiple third party before engaging any third party to ensure competitive pricing and to validate that the chosen third party offers the best value for the services or products required. • While engaging proprietorship entities as vendors, consider the following additional guidelines: ○ Enhanced due diligence by conducting background checks on proprietorship entities, including the proprietor's credentials, financial history, past business dealings, and affiliations with regulatory bodies. ○ Define and communicate clear compliance expectations to the proprietorship entities, outlining adherence to all applicable laws, regulations, and Target's policies, concerning ABAC and ethical business practices. ○ Ensure all engagements with proprietorship entities are formalized through written contracts that specify the scope of work, deliverables, payment terms, and compliance obligations. ○ Implement mechanisms for ongoing monitoring and periodic audits through Right to Audit clauses in contracts with proprietorship entities to regularly assess their adherence to compliance standards and promptly address any deviations. ○ Offer training sessions or resources to familiarize proprietorship entities with the Target's compliance policies, emphasizing the importance of ethical conduct and regulatory adherence, as proprietorship entities may have limited resources to invest in robust compliance systems and might not have exposure to compliance regulations.
5	Petty Cash	• It is recommended that the Target establishes a petty cash policy for establishing clear guidelines for the use and management of petty cash funds. This ensures that every transaction is documented and traceable, reducing the risk of misuse or misappropriation. Petty cash policy should ideally include the following: ○ Clear Guidelines: Define what petty cash can and cannot be used for. Specify allowable expenses and set spending limits.

#	Process	Suggested Recommendation
		○ Approval Process: Require multiple levels of approval for petty cash disbursements, especially for larger amounts. ○ Documentation: Mandate detailed documentation for every transaction, including receipts, purpose of the expense, and the names of individuals involved. ○ Segregation of Duties: Ensure that different individuals are responsible for authorizing, disbursing, and reconciling petty cash transactions to prevent collusion. ○ Training and Awareness: Provide training to employees on the importance of the petty cash policy and the consequences of non-compliance, including legal repercussions related to bribery and corruption. • It is recommended that the Target monitors and review's all cash transactions regularly and maintains the documentation with clear descriptions of fund usage to promptly identify any unauthorized expenditures.
6	Contract Management	• It is recommended that the Target establish and implement a formal process for entering into contracts with TPIs for transactions exceeding a specified monetary threshold and for engagements involving high-risk vendors. Contracts should clearly define the scope of work, fees, term and payment milestones to ensure transparency and accountability. • Compliance-related acknowledgements should be taken periodically from high-risk TPIs and employees who are engaged in government interactions. It is recommended that clear guidelines are set out in the Code of Conduct outlining the scope, requirements, and frequency for obtaining such compliance acknowledgments to ensure consistency and comprehensiveness.
7	Risk Management action plan	• It is recommended to create a comprehensive risk management action plan. This plan should ensure the effective implementation of all proposed recommendations by the Target organization. Additionally, it should include mechanisms for continuous monitoring to identify and address any potential irregularities. • Enhance internal audit procedures by implementation of a systematic risk assessment process to identify areas of compliance risks, among other risk factors. This assessment, amongst others, may also cover: ○ Interviews with field personnel to evaluate effectiveness of the communication related to the compliance programme. ○ Testing payments for potential improper political or charitable contributions and inappropriate gifts, hospitality or expenses. Procedures should include executing specific search queries on the financial systems to look for improper payments, including petty cash usage and payments without proper documentation.

#	Process	Suggested Recommendation
		○ Evaluation of payee / vendor lists, in particular payees who are government organisations, officials, or affiliated with political parties. ○ Strengthening of audit procedures on the design adequacy and operating effectiveness of compliance based internal controls on an ongoing basis.

Recommendations to enhance Corporate Governance Framework (Part B)

Recommended Action
Annual Declarations by Director • As a good governance practice, it is recommended to ensure that DIR-8 is obtained from all the Directors to ensure that they are not disqualified from being appointed as the director.
General Meetings • It is recommended to ensure that notices for AGMs are distributed at least 21 days prior to the scheduled meeting date to comply with statutory obligations. • Additionally, it is advised that the Target retains all documentation related to the AGMs, including notices, agendas, and minutes.
Board Meetings • It is recommended that the Target holds at least four (4) Board Meetings in a financial year and interval between each such meetings should not exceed 120 days. • As a fundamental aspect of good governance, it is recommended that the Target maintains all the documents such as notices, minutes of the meeting, evidence for circulation of minutes to the directors etc. related to board meetings. • It is recommended to ensure that notices and agendas for Board Meetings are distributed at least seven (7) days prior to the scheduled meeting date to comply with statutory obligations unless there is an urgent business matter to be addressed. • It is recommended to distribute the minutes of Board Meetings within 15 days following the conclusion of each respective meeting. • Additionally, as a good governance practice, documentation, such as email communications or a register, should be maintained to record the circulation of draft minutes to all directors from the conclusion of the Board Meeting.
Statutory Auditor

Recommended Action

- It is recommended that the company files form ADT-1 with the MCA within 15 days of appointment of statutory auditor.

Corporate Social Responsibility (CSR)

- It is recommended that the Target promptly implements the CSR policy to ensure clear objectives are set and a structured plan is in place to meet the required CSR expenditure. Non-compliance with CSR spending requirements can lead to penalties. Hence, it is advisable for companies to prioritize CSR compliance, establish effective policies, and actively engage in meaningful CSR activities.
- Following are some essential steps to ensure that CSR spending requirements for the year are fulfilled:
 - Involve key stakeholders, including board members, management, and employees, in CSR planning and implementation.
 - The CSR Committee should ensure compliance, and report regularly to the board of directors.
 - In any case if the company is unable to spend the required amount, prepare a detailed explanation and a plan for carrying forward the unspent amount to the next financial year. This should be documented and reported as per legal requirements.
- It is recommended to include a section in the policy that before any CSR contribution is approved, the documents such as Form 10AC, PAN Cards, registration certificate under relevant acts or authorities, bank account details and relevant financial documents should be collected and verified. Further all KYC documents and verification records shall be securely stored and maintained.
- Regular review of the CSR policy should be performed to ensure it remains relevant and effective. Adaptation to changing social, environmental, and economic conditions.

Compliance and Risk Management Framework

- It is recommended to conduct regular training sessions for employees at all levels to foster a risk-aware culture ensuring that everyone understands their role in risk management which can improve the identification and mitigation process.
- While annual assessments are beneficial, introducing more frequent, dynamic risk assessments could allow the organization to respond more quickly to changes in the internal or external environment.

Delegation of Authority ('DOA'), Succession Plan and SOP for ERP Access and Edit Rights

- It is recommended to implement a DOA matrix for all expenses, outlining the necessary approvals from the Board of Directors or respective Heads of Departments based on the associated risk. This supports better governance by ensuring decisions are aligned with company policies and strategic objectives, reducing the likelihood of unauthorized or inconsistent decision-making.
- It is recommended to implement a succession plan for the appointment of Board of Directors and Senior Management.

Recommended Action

- Creating a SOP for ERP edit and access rights ensures proper governance and security of data within the system. Here are some recommendations for developing such an SOP:
 - Clearly categorize user roles within the ERP system (e.g., administrator, manager, accountant) and specify the access permissions each role requires to fulfil their responsibilities.
 - Develop policies for the procedures of granting, modifying, and revoking user access rights. Include a defined approval process for requesting changes to access rights.
 - Implement procedures to monitor user activity, including logging access attempts and tracking changes to sensitive data. Conduct regular audits to detect any unauthorized or suspicious activities.
 - Use robust authentication methods, such as multi-factor authentication (MFA), to verify user identities. Ensure access is restricted to only the necessary modules and data required for each user's role.
 - Thoroughly document the SOP for ERP edit and access rights. Ensure that it is communicated effectively to all relevant stakeholders within the organization.

Employee Recruitment and Conduct

- In addition to employment checks, it is recommended to include checks such as criminal court record, education check, address check and linkages to PEPs.
- It is recommended that hiring procedures be updated, including but not limited to, the requirement, procedure and documentation for due diligence. Due diligence requirement may be included for employees hired at senior position with decision making authority. The hiring procedures may also include checklists to obtain appropriate disclosures, for e.g. conflict of interests, prior employment with public offices or any linkages to politically exposed persons.

Information Technology General Controls

- We understood that the Target is in process of formulating an IT Policy and it is recommended to include the below mentioned points in the IT policy:
 - Implement regular training sessions and awareness programs to educate employees about IT security best practices, phishing threats, and data protection.
 - Deploy advanced monitoring and reporting tools that provide real-time alerts for unauthorized access, unusual network activity, or policy violations.
 - Establish a mechanism for employees to provide feedback on the IT policy and regularly update the policy to reflect technological advancements and emerging security threats.
 - Develop a comprehensive incident response plan that outlines clear roles and responsibilities for handling IT security incidents.
 - Implement advanced encryption technologies and multi-factor authentication for accessing sensitive data and systems.

6. Policy on Prohibited Practices

1. The Policy shall cover that the Company is committed to preventing and opposing fraud, corruption, money laundering, terrorist financing and other prohibited practices in accordance with international standards.
2. This policy is applicable to all employees and officers of Company, where everyone is required to:
 - (a) adhere to the highest ethical standards;
 - (b) take all appropriate measures to prevent fraud, corruption and other prohibited practices;
 - (c) refrain from engaging in prohibited practices.
3. The standards stipulated by this policy are as outlined below.
 - Company shall require all its employees and external stakeholders like vendors, third party service providers, etc. to adhere to the highest ethical standards as defined in their policies and the terms and conditions of the corresponding agreements (as applicable);
 - The Company shall not involve or indulge in practices that are collectively referred to as “prohibited practices”, as described below.
 - (i) Corrupt Practices: Offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (ii) Fraudulent Practices: Any action or omission, including misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
 - (iii) Coercive Practice: Impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - (iv) Collusive Practice: An arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
 - (v) Obstructive Practice: Practice of
 - I. Deliberately destroying, falsifying, altering or concealing evidence material to the investigation or making false statements to investigators in order to materially impede a Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
 - II. Acts intended to materially impede the exercise of the Fund’s inspection and audit rights;
 - (vi) Theft: Misappropriation of property belonging to another party;
 - (vii) Money Laundering: Practice of
 - a. Conversion or transfer of property, directly or indirectly, knowing that such property is derived from criminal activity, or helping any person who is involved in such activities evade the legal consequences of their actions;

- b. Concealing or disguising the illicit origin, source, location, disposition, movement or ownership of property knowing that such property is derived from criminal activity; or
 - c. Acquisition, possession or use of property, knowing at time of receipt that such property is derived from criminal activity.
- (viii) Financing of Terrorism: Provision or collection of funds by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are or will be used, in full or in part, in order to carry out acts of terrorism. For the avoidance of doubt, this includes without limitation the provision or collection of funds in contravention of the United Nations Security Council resolutions and sanctions applicable to the financing of terrorism.

7. Reporting

1. Reporting on suspected Prohibited Practices:
 - (a) The company's compliance team / and/or CFO shall share the details of all complaints related to such Prohibited Practices with the designated Investigations Officer.;
2. The suspicion of a Prohibited Practice will be liable to investigation by a suitable authority;
3. If, as a result of an investigation, the designated Investigations Officer concludes that a preponderance of the evidence supports a finding of a Prohibited Practice by a Party, the Investigations Officer shall prepare a Statement of Charges, which shall:
 - a. Identify as Respondent the Party or Parties alleged to have engaged in a Prohibited Practice;
 - b. State the alleged Prohibited Practice;
 - c. Summarize the facts relevant to the basis for the allegation of the occurrence of the Prohibited Practice;
 - d. Attach all evidence relevant to the determination of a Sanction;
4. The findings of the Investigation on Prohibited practices shall be shared the Compliance officer.

SCHEDULE 7

Code of Responsible Investing

1. INTRODUCTION

The Code of Responsible Investing (the “**Code**”) sets out requirements, recommendations and management systems and works towards the adoption of internationally recognized standards of best practice.

2. CODE OF RESPONSIBLE INVESTING

2.1. The Company, either directly or indirectly, will not be involved in any Excluded Activity listed in Appendix-2.

2.2. For the purposes of this Code,

“**Action Plan**” means a plan that seeks to achieve compliance with the Requirements on a specified schedule which the business is willing and able to implement.

“**Applicable Standards**” means and include (a) IFC Environmental and Social Performance Standards 2012²⁰; (b) IFC / World Bank Environmental, Health, and Safety General and relevant Sector Specific Guidelines as applicable²¹; (c) EIB Environmental and Social Standards; (d) DFC’s Environmental and Social Policy and Procedures; (e) International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work²²; (f) Universal Declaration of Human Rights, (g) the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights²³; and (h) British International Investment (BII)’s Policy on Responsible Investment (PRI)²⁴.

“**EHS Guidelines**” means the World Bank Group Environmental Health and Safety Guidelines²⁵.

“**Excluded Activity**” means any business or activity listed on Appendix-2.

“**IFC PS**” means IFC Performance Standards (as updated)²⁶.

Appendix – 1: REQUIREMENTS FOR THE COMPANY

1. The Company shall:

²⁰ See <http://www.ifc.org/performancestandards>

²¹ See <http://www.ifc.org/ehsguidelines>

²² Refers to The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); the Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); the Equal Remuneration Convention, 1951 (No. 100); and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

²³ See www.un.org/Overview/rights.html (as relevant and applicable).

²⁴ See <https://assets.cdcgroup.com/wp-content/uploads/2021/12/14074359/Policy-on-Responsible-Investing.pdf>

²⁵ See www.ifc.org/ehsguidelines

²⁶ IFC’s Performance Standards on Social & Environmental Sustainability, dated January 1, 2012. The Performance Standards are publicly available at <http://www.ifc.org/performancestandards>

- 1.1. operate in compliance with applicable local and national laws including laws covering environmental impacts, labour rights, social issues, corporate governance and those intended to prevent extortion, bribery, corruption and financial crime;
- 1.2. operate in compliance with relevant international sanctions, including those of the European Union and the United Nations (“**International Sanctions**”)²⁷;
- 1.3. operate in compliance with Applicable Standards;
- 1.4. implement management systems, appropriate to the size and nature of the business, that ensure a systematic approach to ESG risk assessment, addressing relevant risks, monitoring and reporting on progress and, to the extent possible, involving stakeholders²⁸;
- 1.5. ensure achievement of and continuous compliance with the Requirements or related Action Plan.
- 1.6. ensure adequate management commitment, human and financial resources, and training to achieve effective and continuous environmental and social performance outcomes consistent with the fund’s requirements;
- 1.7. seek improvement in the management of environment, health & safety, social and labor practices
- 1.8. conduct detailed climate change risk studies/assessment in accordance with international best practise frameworks, implement short and long term mitigation measures and monitor on an ongoing basis the impacts to business and employees from physical risks, natural disasters and transitional risks
2. The Company shall establish and maintain an environmental and social management system consistent with an overarching policy defining the environmental and social objectives and principles that guide the Company to achieve sound environmental and social performance, including compliance with Applicable Laws and Applicable Standards, including any applicable Action Plan (together, the “**E&S Requirements**”).

Working Conditions and Labour Rights

The Company shall:

1. not employ or make use of forced labour²⁹;
2. not employ or make use of child labour³⁰;
3. pay wages which meet or exceed industry or legal national minima and provide insurance coverage to the extent required as per Applicable Law;
4. not discriminate in terms of recruitment, progression, terms and conditions of work and representation, on the basis of personal characteristics unrelated to inherent job requirements,

²⁷ See http://www.hm-treasury.gov.uk/fin_sanctions_index.htm for a full list

²⁸ See IFC PS 1 for guidance

²⁹ As covered by the ILO Forced Labour Convention (No. 29) and the Abolition of Forced Labour Convention (No. 105). See www.ilo.org/ilolex/english/docs/declworld.htm.

³⁰ As defined by the ILO Minimum Age Convention (No. 138) and the Worst Forms of Child Labour Convention (No. 182). See www.ilo.org/ilolex/english/docs/declworld.htm

including gender, race, colour, caste, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, marital status, membership of workers' organisations, legal migrants, or HIV status³¹;

5. adopt an open attitude towards workers' organisations and respect the right of all workers to join or form workers' organisations of their own choosing, to bargain collectively and to carry out their representative functions in the workplace;
6. provide reasonable working conditions including a safe and healthy work environment, working hours that are not excessive and clearly documented terms of employment³²; and in situations where workers are employed in remote locations for extended periods of time to ensure that such workers have access to adequate housing and basic services
7. in case employment generated indirectly through contracts or sub-contractors, then adequate controls to be setup to ensure compliance with labour law and working conditions related regulations.
8. Develop and implement processes, mechanisms, and reporting frameworks to address and reduce issues and incidents related to Gender-Based Violence and Harassment (GBVH)¹⁶³³
9. Report to Investors on reported GBVH incidents on a quarterly basis. Conduct training sessions for workforce on periodic basis to create awareness on workplace GBVH regulations, policies, reporting and grievance mechanisms etc
10. Implement grievance and reporting mechanism for all direct and indirect workers, including sub-contractors (and their organizations, should they exist) to raise any workplace and GBVH concerns Inform workers of the grievance mechanism at the time of recruitment and make it easily accessible to all employees. The mechanism can allow for anonymous complaints to be submitted and will provide timely feedback without any retribution

Access to Remedy

The Company shall:

1. provide an appropriate grievance mechanism that is available to all workers and where appropriate other stakeholders; and
2. implement a procedure for the reporting of wrongdoing and misconduct in the workplace that includes protection for the reporter and appropriate disciplinary action for anyone found to harass the reporter.

Health and Safety

³¹ As covered by the ILO Equal Remuneration Convention (No. 100) and the ILO Discrimination (Employment and Occupation) Convention (No. 111), allowance could be made where positive discrimination is mandated in law and is intended to address a historical imbalance. See www.ilo.org/ilolex/english/docs/declworld.htm

³² Respecting any collective bargaining agreements that are in place or where these do not exist or do not address working conditions, make reference to conditions established, by collective agreement or otherwise, for work in the trade or industry concerned in the area / region where the work is carried out and local or national law

³³ GBVH is an umbrella term that includes a range of behaviours, including sexual exploitation, abuse and harassment; violence and harassment that is physical and/or psychological; and financial abuse. GBVH can be perpetrated as a one-off act or as an ongoing pattern of behaviour. <https://www.bii.co.uk/en/news-insight/news/new-guidance-for-the-private-sector-on-addressing-risks-of-gender-based-violence-and-harassment/>

1. Safeguard the health and safety of all those affected by the Company's Business.
2. Assess all potential health and safety risks arising from work activities and take appropriate measures to mitigate risks to health and safety.

Business Integrity

The Company shall:

1. uphold high standards of business integrity and honesty;
2. adopt and implement policies to prevent extortion, bribery, fraud, corruption and financial crime in accordance with local law requirements and international best practice³⁴;
3. properly record, report and review financial and tax information³⁵;
4. establish corporate governance practices appropriate to the size and nature of the business;
5. deal with regulators in an open and co-operative manner; and
6. use information received from its business partners only in the best interests of the business relationship and not for personal financial gain by any worker.

Appendix – 4 : EXCLUSION LIST – Prohibited Investments

The Company and/or Subsidiaries shall not presently and/or in future pursue any of the following business activities:

1. Production of, or trade in, any product or activity deemed illegal under applicable host country laws or regulations or subject to internationally agreed phase-outs or bans as defined in global / international conventions and agreements such as:
 - 1.1. hazardous chemicals, pharmaceuticals, pesticides/herbicides and wastes (Rotterdam Convention, Stockholm Convention)³⁶;
 - 1.2. polychlorinated biphenyl (PCB)³⁷;
 - 1.3. ozone depleting substances³⁸;
 - 1.4. wildlife or wildlife products³⁹;

³⁴ The Investors promote compliance with the UK Bribery Act 2010

³⁵ Portfolio companies should as a minimum report to local reporting standards and should make progress towards internationally recognised accounting standards

³⁶ United Nations Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; World Health Organization Recommended Classification of Pesticides by Hazard. A list of pharmaceutical products subject to phase outs or bans is available at <http://www.who.int>. A list of pesticides, herbicides and other hazardous substances subject to phase outs or bans is available at <http://www.pic.int>

³⁷ PCBs: Polychlorinated biphenyls are a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950 to 1985

³⁸ As specified in the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer, see www.ozone.unep.org, as may be amended from time to time

³⁹ As specified in the 1975 Convention on International Trade in Endangered Species or Wild Flora and Fauna ("CITES"), see www.cites.org, as may be amended from time to time

- 1.5. transboundary trade in waste or waste products⁴⁰; and
- 1.6. unsustainable fishing methods such as blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 kilometers in length;
2. Production of, or trade in, arms (i.e. weapons, munitions or nuclear products) including paramilitary materials;
3. Production of, use of, or trade in, unbonded asbestos fibres⁴¹;
4. Production of, or trade in, radioactive materials⁴²;
5. Any company or facility recycling waste electrical and electronic equipment (WEEE or "e-waste") classified as hazardous waste. For the avoidance of any doubt, the term "**hazardous waste**" referred in this paragraph includes a large range of WEEE containing hazardous components or substances, such as printed circuit boards, motors, plastic casings, cables and other components, insulation foam, cooling agents, flame retardants, activated glass and screen phosphors, cathode ray tubes (CRT), capacitors, batteries (Ni-Cd, mercury, lead), etc. Typical WEEE that are classified as hazardous waste may include:
 - 5.1.1. fridges, freezers, chillers and air conditioning units containing ozone depleting substances or cooling refrigerants (i.e. fluorinated hydrocarbons);
 - 5.1.2. obsolete monitors and televisions made with CRT glass that contains lead, beryllium,
 - 5.1.3. mercury, and cadmium
 - 5.1.4. Heat pump tumble dryers containing coolants which are hazardous
 - 5.1.5. Linear fluorescent tubes, compact fluorescent lamps and other non-linear gas discharge lamps
 - 5.1.6. Batteries that contain lead, mercury and cadmium
 - 5.1.7. Various types of WEEE containing persistent organic pollutants (POPs) above permitted amounts/concentrations, e.g. in plastic casings, cables, printed circuit boards, etc.
6. Commercial logging operations for use in primary tropical moist forest or old-growth forest.
7. Production or trade in wood or other forestry products other than from sustainably managed forests;
8. production or activities involving harmful or exploitative forms of forced labor⁴³/harmful child labor⁴⁴; or
9. production of or trade in, coal and related activities including without limitation, coal mining, beneficiation, power generation, trade, supply or infrastructure supporting to any of these;

⁴⁰ Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, see <http://www.basel.int>.

⁴¹ This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

⁴² This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial or adequately shielded

⁴³ Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

⁴⁴ Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development

10. Activities prohibited by legislation of the host country or by international conventions relating to the protection of biodiversity resources or cultural resources, such as, Bonn Convention, Ramsar Convention, World Heritage Convention and Convention on Biological Diversity⁴⁵
11. Marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats
12. Shipment of oil or other hazardous substances in tankers that do not comply with IMO requirements (IMO, MARPOL, SOLAS and Paris MOU)⁴⁶
13. Prostitution
14. Destruction⁴⁷ of High Conservation Value areas⁴⁸
15. Any activity involving significant alteration, damage or removal of way critical cultural heritage⁴⁹
16. Production and distribution of racist, anti-democratic or with the intent to discriminate part of the population.
17. Exploitation of diamond mines, and commercialization of diamonds, when the host country has not adhered to the Kimberley⁵⁰, or other similar international agreements (actual or to be formed), on similar extractive resources.
18. Any sector or service subject to United Nations, European Union and/or French embargo without limitation
19. Retrofitting and rehabilitation of existing coal power facilities, including dual power plant
20. Oil extraction or trading
21. Oil transportation and storage
22. Oil refineries and distribution, including petrol stations

⁴⁵ Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention) - <http://www.cms.int/>; Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention) - <http://www.ramsar.org/>; Convention Concerning the Protection of the World Cultural and Natural Heritage - <http://whc.unesco.org/en/conventiontext/>; Convention on Biological Diversity - <https://www.cbd.int/>.

⁴⁶ Non-compliance with International Maritime Organisation (IMO) requirements: tankers that do not have all required International Convention for the Prevention of Pollution from Ships (MARPOL), International Convention for the Safety of Life at Sea (SOLAS) certificates (including, without limitation, International Safety Management Code compliance), tankers banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU), and tankers due for phase out under MARPOL regulation 13G. No single hull tanker over 25 years old should be used

⁴⁷ Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

⁴⁸ High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).

⁴⁹ Consists of internationally and nationally recognised historical, social and/or cultural heritage.

⁵⁰ The Kimberley Process Certification Scheme (KPCS), is a certification standard for diamond production that concerns governments; the diamonds are controlled at each stage of the production chain, from extraction through to retail of the finished product. The KPCS was created to prevent and stop conflict diamond trade. It is designed to certify the origin of diamonds from sources which are free of conflict fueled by diamond production. Member states adhere to adopt national laws on the issue, and to put in place the necessary export and import control mechanisms to implement the KPCS. More than 75 countries involved in the production, commercialization, and transformation of diamonds participate.

23. Construction of new or refurbishment, retrofitting and rehabilitation of dual-fuel HFO or diesel/gas and HFO or diesel/renewable hybrid power plants
24. Diesel-only decentralized energy solutions (including mini grids and commercial & industrial installations)
25. Diesel/renewable hybrid decentralized energy solutions (including mini grids and commercial & industrial installations) that do not meet the conditional investment criteria*
26. Stand-alone diesel generators
27. Gas extraction and trading
28. Gas power plants
29. Gas transport, storage, refining and distribution, including import/export infrastructure, and processing facilities (*except for liquid petroleum gas (LPG) for cooking and heating purposes if conditional criteria below are met***)
30. Transport and related infrastructure (road, rail, port) where the primary use (>50% of handled tonnage) is fossil fuel transport.

Any businesses, if any of the following activities represents a substantial portion of such business⁵¹:

1. Gambling, gaming casinos and equivalent enterprises;
2. Production or trade in alcoholic beverages (excluding beer and wine).
3. Production of or trade in tobacco or tobacco related products⁵²; or
4. Pornography.

In case of microfinance activities, the following items in addition to the Exclusion List:

1. production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.
2. production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples (as defined in Standard 7 of the performance standards (IFC PS))⁵³, without full documented consent of such peoples.

The above exclusions also apply to:

1. Financing an allowed activity that exclusively serves the extraction or production of fossil fuels (e.g. a solar plant for a coal terminal);
2. Financing companies or projects that exclusively provide services (including advisory), equipment, or other outputs to excluded fossil fuel activities (e.g. a company that exclusively provides construction services for oil exploration activities);

⁵¹ For companies, “substantial” means more than 10 % of their consolidated balance sheets or earnings. For financial institutions, “substantial” means more than 10% of their underlying portfolio volumes

⁵² Except, in the case of tobacco production only, with an appropriate timeframe for phase out

⁵³ As specified in the IFC's Performance Standards on Social & Environmental Sustainability, dated January 1, 2012. The Performance Standards are publicly available on the IFC website

3. Financing companies or projects that exclusively produce goods for and/or provide goods to excluded fossil fuel activities (e.g. a company that exclusively manufactures machine parts for use in coal-fired power plants).

The following activities are eligible for investment only if the specified criteria are met:

*Diesel/renewable hybrid de-centralized energy solutions where:

- a. A renewable-only solution has been proven as not offering sufficient reliability or cost efficiency;
- b. The diesel element is supplementary and is subsidiary to and enabling, the renewable energy project, whilst maintaining on average over time a minority share (<50 % of power generation from fossil fuels in hybrid systems with the remaining portion from renewable energy and batteries);
- c. The majority of “expected” generation should come from renewables (i.e., actual production may differ based on primary energy resource, e.g., wind, solar or hydro);
- d. The specific greenhouse gas emissions of the project are lower than 500kg CO₂equivalent/MWh.

** LPG for cooking and heating purposes, including associated facilities for sourcing, transport, storage, bottling and distribution where:

- a. The investment is substituting other higher carbon intensive fuel sources;
- b. There is no economically and technically viable renewable energy alternative;
- c. The LPG is used for cooking and heating purposes only (industrial uses are excluded);
- d. There is a clear impact case in improved living standards, reduced air pollution and increased health of consumers compared to alternative fuel sources.

“Excluded Fossil Fuel Activities” means:

- (a) mining, prospecting or exploring for Fossil Fuels;
- (b) producing, processing or refining Fossil Fuels or using waste heat from the burning of Fossil Fuels whether by a Portfolio Company or a third party;
- (c) generating power or heat using Fossil Fuels, storing or transmitting that power or heat or refurbishing or rehabilitating power generation plants that use Fossil Fuels;
- (d) storing, transporting, distributing or trading in Fossil Fuels, or developing, acquiring, constructing, operating or maintaining any infrastructure for the storage, transport, distribution of, or trade in, Fossil Fuels;
- (e) CCUS;
- (f) engaging in Fossil Fuel Dependent Heavy Industry;
- (g) the production and provision of goods, services or other outputs (including advisory or financial services and utilities) for exclusive use in connection with any activity referred to in (a) to (f) above; and
- (h) the improvement of the efficiency, health and safety or environmental and social standards of any business engaged in any activity referred to in (a) to (f) above, but excluding any Permitted Fossil Fuel Activities.

“Permitted Fossil Fuel Activities” means:

- (a) using standalone fossil fuel generators (other than coal-burning generators) in the normal course of the Portfolio Company’s business where renewable-powered generators have been proven not to offer sufficient reliability or cost feasibility for the proposed use;

- (b) using liquefied petroleum gas (**LPG**) for cooking or heating or transporting, storing, distributing and trading LPG to be used primarily for cooking or heating or the development, construction, acquisition, operation or maintenance of associated facilities for the sourcing, transport, storage, bottling and distributing LPG to be used primarily for cooking or heating;
- (c) generating power from a captive power plant the energy source of which is any Fossil Fuel (other than coal), whether in whole or in part, which uses the power it generates for an application to which it is directly connected and does not deliver its power to the transmission or distribution grid, but only if:
 - (i) a Fossil Fuel producing the lowest greenhouse gas emissions that can feasibly be used, has been used;
 - (ii) the operator is transitioning to renewable power; and
 - (iii) where the Portfolio Company's involvement is associated with an increase in energy use, that additional use will be met by renewable power, unless it is shown this would be technically or commercially unviable;
- (d) refurbishment, retrofitting and rehabilitation of any power plant to which paragraph (c) applies, provided that it is fueled by gas or liquefied gas and no other Fossil Fuel;
- (e) power generation, storage and/or transmission from mini grids but only if they are:
 - (i) powered only by renewable power; or
 - (ii) powered partly by Fossil Fuel (other than coal) and partly by renewable power and:
 - (A) a renewable-only powered mini grid has been proven not to offer sufficient reliability or cost feasibility in the context of the proposed application;
 - (B) a Fossil Fuel (other than coal) producing the lowest greenhouse gas emissions that can feasibly be used, has been used; and
 - (C) if an increase in capacity is proposed, that additional capacity will be provided by renewable power, unless it is shown this would be technically or commercially unviable
- (f) generating power from, or refurbishment, retrofitting and rehabilitation of, any power plant which:
 - (i) is fuelled by gas or liquefied gas and no other Fossil Fuel; and
 - (ii) delivers its power to the transmission or distribution grid;
 - (iii) meets the requirements of BII's guidance on alignment with countries' development pathways to net zero emissions by 2050 which may be found at: https://assets.cdcgroup.com/wpcontent/uploads/2020/12/12145227/CDC_GasGuidance_December2020.pdf.
- (g) the development, construction, acquisition, operation or maintenance of transportation (but not import or export), storage and distribution infrastructure where the primary purpose of such infrastructure is to support power generation from a power plant which satisfies the requirements in paragraph (f) above
- (h) transportation by trains, ships, road vehicles and

aircraft where less than 50 per cent of the handled tonnage of the vehicles (as a fleet) is Fossil Fuel;

(i) the development, manufacture, construction, acquisition, operation or maintenance of:

(i) transport infrastructure including airports, roads, railways, inland waterways and ports (sea and inland); and

(ii) trains, ships, road vehicles and aircraft, provided that in each case, less than 50 per cent of the handled tonnage of the infrastructure or the vehicles (as a fleet) is Fossil Fuel;

(j) CCUS but only if:

(i) it is not used for enhanced oil, gas or coalbed methane recovery, or any equivalent technology;

(ii) it is used in connection with gas-only fired power generation or for industrial or for industrial processes that burn any Fossil Fuel (other than coal);

(iii) it will significantly abate greenhouse gas emissions over the lifetime of the existing Fossil Fuel related assets; and

(iv) it will not significantly extend the life of existing Fossil Fuel related assets;

(k) engaging in Fossil Fuel Dependent Heavy Industry

but, where it involves the burning of Fossil Fuels, only if:

(i) a Fossil Fuel (other than coal) producing the lowest greenhouse gas emissions that can feasibly be used, has been used; and

(ii) the operator is considering how to switch to lower emission technologies (including CCUS);

(l) decommissioning of Fossil Fuel related infrastructure.

(m) use of metallurgical coal to initiate chemical reactions

(e.g. when mixed with iron ore to produce iron and steel) or as an ingredient mixed with other materials and the generation of heat as a by-product;

(n) the development, construction, acquisition, operation

or maintenance of electricity or heat (hot air or water) transmission and

distribution grids, but only if the electricity or heat is not solely generated by coal or oil; blending ethanol and biofuels in petroleum products;

(p) using hydrocarbons as alternatives to

hydrofluorocarbons as refrigerant gases, foam blowing agents or for other uses

where it significantly reduces greenhouse gas emissions;

(q) the conversion of any activity related to any Fossil

Fuel into one which would not be an Excluded Fossil Fuel Activity on completion of the conversion;

(r) support to Fossil Fuel sectors to enable a just

transition of workers and Fossil Fuel-dependent communities, limited to the just transition element of the investment only (for example, social dialogue, skills and retraining and bridging loans for the benefit of those workers and/or communities);

(s) methane detection and/or capture; and

(t) health, safety and environment training.

“CCUS” means carbon capture and storage and carbon capture, use, transport and storage.

“Fossil Fuel” means any fossil fuel including coal, oil (including heavy fuel oil, light crude oil or diesel) or gas (including liquefied gas);

“Fossil Fuel Dependent Heavy Industry” means industrial processes that:

(a) need high temperatures that can only be achieved

through burning Fossil Fuel (such as manufacturing cement, ceramics, glass and paper); or

(b) use Fossil Fuel as feedstock but that do not produce

fuels (such as manufacturing steel, detergents, waxes, lubricants, white oils and

paint).

SCHEDULE 8
Indicative Terms of Reference of RMEC

1. *In relation to risk management functions:*

- 1.1. To formulate a risk management policy, which shall include:
 - 1.1.1 framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the RMEC;
 - 1.1.2 measures for risk mitigation plan including systems and processes for internal control of identified risks; and
 - 1.1.3 Business continuity plan.
- 1.2. To ensure that appropriate processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 1.3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 1.4. To review the risk management policy in view of the changes in industry dynamics and evolving complexity; and
- 1.5. To review the action taken on its recommendations.

2. *In relation to ESG functions:*

- 2.1. to seek any information (data, reports and other relevant information on ESG matters) it requires from any employee of the Company in order to perform its duties;
- 2.2. to oversee and supervise the Company and/or Subsidiary performance on all ESG matters including but not limited to the ESA Plan and the covenants under this Agreement;
- 2.3. to have access to relevant papers and records, in relation to the ESG matters of the Company, and to visit any Company premises and to talk to any member of the executive team or member of staff necessary to perform its duties;
- 2.4. to investigate or oversee any Company investigation relating to breaches of the Company's ESG policies;
- 2.5. to commission any reports or surveys, in relation to breach of ESG policy of the Company at the Company's expense, which it deems necessary in relation to its duties;
- 2.6. provide strategic advice and guidance to the board of directors in relation to systemic and strategic ESG issues which affect the Company's business model and strategy;
- 2.7. Monitor the implementation of ESA Plan and any other corrective action plans that may be developed in due course to ensure the adequate implementation and continuous improvement of robust systems for monitoring ESG matters;

- 2.8. advise the management team on the appointment, removal and/or replacement of senior personnel responsible for the implementation, operation and maintenance of the ESG policies of the Company; and
- 2.9. Review and approve the Company's ESG policies and initiatives

SCHEDULE 9
List of Principal Adverse Impact Indicators

	INDICATOR	METRIC
1	GHG Emission	Scope 1 GHG emissions
		Scope 2 GHG emissions
		Scope 3 GHG emissions
		Total GHG emissions
2	Carbon Footprint	Carbon footprint
3	GHG Intensity Of Investee Companies	GHG intensity of company
4	Exposure To Companies Active In The Fossil Fuel Sector	Share of investments in company active in the fossil fuel sector
5	Share Of Non-renewable Energy Consumption And Production	Share of non-renewable energy consumption and non-renewable energy production of company from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources
6	Energy Consumption Intensity Per High Impact Climate Sector	Energy consumption in GWh per million EUR of revenue of company, per high impact climate sector
7	Activities Negatively Affecting Biodiversity-sensitive Areas	Share of investments with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas
8	Emissions To Water	Tonnes of emissions to water generated per million EUR invested, expressed as a weighted average

	INDICATOR	METRIC
9	Hazardous Waste And Radioactive Waste Ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average
10	Violations Of UN Global Compact Principles And Organisation For Economic Cooperation And Development (OECD) Guidelines For Multinational Enterprises	Share of investments that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
11	Lack Of Processes And Compliance Mechanisms To Monitor Compliance With UN Global Compact Principles And OECD Guidelines For Multinational Enterprises	Share of investments without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
12	Unadjusted Gender Pay Gap	Average unadjusted gender pay gap
13	Board Gender Diversity	Average ratio of female to male board members in company, expressed as a percentage of all board members
14	Exposure To Controversial Weapons (Anti-personnel Mines, Cluster Munitions, Chemical Weapons And Biological Weapons)	Share of investments in companies involved in the manufacture or selling of controversial weapons

SCHEDULE 10

Policy on Prohibited Practices

1. The Company is committed to preventing and opposing fraud, corruption, money laundering, terrorist financing and other prohibited practices in accordance with international standards.
2. This policy is applicable to all employees and officers of Company, where everyone is required to:
 - (a) adhere to the highest ethical standards;
 - (b) take all appropriate measures to prevent fraud, corruption and other prohibited practices;
 - (c) refrain from engaging in prohibited practices.
3. The standards stipulated by this policy are as outlined below.
 - (a) Company shall require all its employees and external stakeholders like vendors, third party service providers, etc. to adhere to the highest ethical standards as defined in its policies and the terms and conditions of the corresponding agreements (as applicable);
 - (b) The Company shall not involve or indulge in practices that are collectively referred to as “prohibited practices”, as described below.
 - (i) **Corrupt Practices:** Offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (ii) **Fraudulent Practices:** Any action or omission, including misrepresentation that knowingly or recklessly **misleads**, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
 - (iii) **Coercive Practice:** Impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - (iv) **Collusive Practice:** An **arrangement** between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
 - (v) **Obstructive Practice: Practice of**
 - I. Deliberately destroying, falsifying, altering or concealing evidence material to the investigation or making false statements to investigators in order to materially impede a Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
 - II. Acts intended to materially impede the exercise of the Fund’s inspection and audit rights;
 - (vi) **Theft:** Misappropriation of **property** belonging to another party;
 - (vii) **Money Laundering:** Practice of

- I. Conversion or transfer of property, directly or indirectly, knowing that such property is derived from criminal activity, or helping any person who is involved in such activities evade the legal consequences of their actions;
- II. Concealing or disguising the illicit origin, source, location, disposition, movement or ownership of property knowing that such property is derived from criminal activity; or
- III. Acquisition, possession or use of property, knowing at time of receipt that such property is derived from criminal activity.

(viii) **Financing of Terrorism:** Provision or collection of funds by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are or will be used, in full or in part, in order to carry out acts of terrorism. For the avoidance of doubt, this includes without limitation the provision or collection of funds in contravention of the United Nations Security Council resolutions and sanctions applicable to the financing of terrorism.

Reporting

- 4. Reporting on suspected Prohibited Practices:
 - The company's compliance team / and/or CFO shall share the details of all complaints related to such Prohibited Practices with the Investors;
- 5. The suspicion of a Prohibited Practice will be liable to investigation by a suitable authority and the results of the investigation shall be shared with the Investors;
- 6. If, as a result of an investigation, the designated Investigations Officer concludes that a preponderance of the evidence supports a finding of a Prohibited Practice by a Party, the Investigations Officer shall prepare a Statement of Charges, which shall:
 - a. Identify as Respondent the Party or Parties alleged to have engaged in a Prohibited Practice;
 - b. State the alleged Prohibited Practice;
 - c. Summarize the facts relevant to the basis for the allegation of the occurrence of the Prohibited Practice;
 - d. Attach all evidence relevant to the determination of a Sanction;
- 7. The findings of the Investigation on Prohibited practices shall be shared with the Investor.

SCHEDULE 11

Climate Risk Management and Impact Indicators

- The Company and its Subsidiaries shall work towards:
 - Developing a climate policy and framework that will help guide the company and its businesses towards a long-term climate goal
 - Developing internal governance processes and procedures to evaluate climate impacts in key business decisions, new site developments, and operations (including supply chain) which will involve key decision makers of the businesses
 - Undertaking a detailed Climate Risk Assessment (CRA) in alignment with Taskforce Climate-Related Financial Disclosures to the satisfaction of the Investors for all their new and upcoming Sites prior to finalizing the sites and implement the mitigation measures as deemed necessary
 - Calculate and report on annual basis (for preceding calendar year) greenhouse gas ‘avoided/Scope 4 emissions’ (tCO₂e) through its products, by engaging a qualified third party and submit the same to the Investors
 - Calculate and report on Scope 1 Scope 2 and Scope 3 emissions on an annual basis verified/ assurance statement through a qualified third party (first emissions results to be submitted latest by 31st January 30 for CY 24)
- The Company shall consider working towards implementation of any improvements (if needed) that may arise from the GHG monitoring programme to the satisfaction of the Investors. The Company’s Board will consider making efforts to arrive at a reasonable plan towards meeting net zero commitments.

GENDER INCLUSIVITY AND ALIGNMENT WITH 2X CHALLENGE

- To the extent possible and practicable, work towards promoting gender inclusivity and women employment within the organization to align its business activities with the 2X Challenge indicators.
- Meet at minimum one criterion listed under the ‘Leadership’ and the ‘Employment’ indicators of 2X Challenge framework as specified below:

Leadership Criterion:

To the extent possible and practicable, work towards:

- improving the share of women in senior management to 30% in a phase-wise manner
- maintaining a share of at least 30% women in the Board

Employment

To the extent possible and practicable, work towards:

- achieving an initial target of improving female representation in workforce upto 30% over the next 3-4 years; and
 - implementing initiatives, policies, processes to advance women/inclusivity in the workforce.
- endeavor to periodically monitor review of the gender pay gap to close such gaps, if any in a phase wise manner

- commit to develop necessary internal policies, reporting, redressal and management systems to reduce gender-based violence and harassment (GBVH)⁵⁴ incidents should they occur;
- report to Investors on GBVH incidents on a quarterly basis
- endeavor to conduct training sessions for workforce on periodic basis to create awareness on workplace gender-based violence and harassment regulations, policies, reporting and grievance mechanisms etc;
- encourage consultative workplace structures that provide employees with opportunities to present their views to management; and
- endeavour to implement grievance mechanism for all direct and indirect workers, including sub-contractors (and their organizations, should they exist) to raise any workplace and GBVH concerns. Inform workers of the grievance mechanism at the time of recruitment and make it easily accessible to all employees. The mechanism can allow for anonymous complaints to be submitted and will provide timely feedback without any retribution

DEVELOPMENT IMPACT MEASUREMENT AND MONITORING

- The Chief E&S/Sustainability Officer/Manager shall ordinarily serve as a single point of contact for the investor for all matters related to Impact Measurement, Management, and Reporting (IMM). Their key responsibilities will include:
 - Reporting IMM data as outlined by the Investors in Part C of this Schedule 13.
 - Communicating and managing impact performance with the Investors on quarterly/annual basis.

PART A: REPORTING ON DEVELOPMENT IMPACT INDICATORS

METRIC (ANNUAL)	REPORTING FREQUENCY
Absolute Scope 1, Scope 2, Scope 3 emissions (tCO ₂)	Annual
Net GHG emissions avoided/reduced during the reporting period (tCO ₂ e) from the Building Projects executed in a financial year	Annual
Total Number of Projects executed in a financial year (across various business units/segments)	Annual
Total number of employees that received the training on ESG/Sustainability in last 1 year	Annual
# Total Number of Employees by type (FTE, contract, temporary, trainee, temporary, senior management, and board) alongwith gender-wise split across Corporate and Manufacturing facilities	Annual

⁵⁴ GBVH is an umbrella term that includes a range of behaviors, including sexual exploitation, abuse and harassment; violence and harassment that is physical and/or psychological; and financial abuse. GBVH can be perpetrated as a one-off act or as an ongoing pattern of behavior.

Total Safe Working Hours in a Calendar Year	Annual
Number of Lost Time Incidents/Near-Miss/Fatalities across Corporate Office, Manufacturing facilities and Project Construction sites	Annual
% Attrition total and gender-wise split (for Corporate and Manufacturing facilities)	Annual