



ગુજરાત ગુજરાત GUJARAT

AT 626197

જા.ક્ર. ૩૮૭૬ તા. ૩૦/૭/૨૦૧૫ રૂ. ૧૦૦/-  
ખરીદવારું વામ બી. ૨૭ ૬૦૬-૫૫ ૨૦૨ (ના. ૨૨) ૩૧/૭/૨૦૧૫ થી ૩૦/૭/૨૦૧૫  
સરનામું ૩૦/૭/૨૦૧૫ ૩૦/૭/૨૦૧૫ ૩૦/૭/૨૦૧૫ ૩૦/૭/૨૦૧૫  
હસ્તે મહી. મરશાલ  
ધનશ્યામ હરીભાઈ પટેલ (સ્ટેમ્પ વેન્ડરની સહી)  
૭, સોયલ પ્લાઝા, સંપતરાવડોલીની, જેતલપુર રોડ,  
અલકાપુરી, વડોદરા-૭ લા. જ. ૬૬/૮૦ તા. ૧૮/૦૪/૮૦

#### JOINT VENTURE AGREEMENT

THIS JOINT VENTURE AGREEMENT is made and entered into at Vadodara, India on this 18th day of August, 2015, by and between:

ATLANTA ELECTRICALS PRIVATE LIMITED, a company incorporated and existing under the Indian Companies Act, 1956, having its registered office at A 6, Avani Park, Nr. Rajesh Tower, Gotri Road, Vadodara, Gujarat, India (hereinafter referred to as the "First Partner", which expression shall, unless it be repugnant to the subject, meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns) of the FIRSTPART;

AND

  
First Partner

Page 1

  
Second Partner.

**BAODING TIANWEI BAOBIAN ELECTRIC CO., LTD.**, a company incorporated and existing under the laws of the People's Republic of China, having its principal office at No. 2222 Tianwei West Road, Baoding, China (hereinafter referred to as the "**Second Partner**", which expression shall, unless it be repugnant to the subject, meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns) of the **SECONDPART**;

**AND**

**BTW-ATLANTA TRANSFORMERS INDIA PRIVATE LIMITED**, a company incorporated and existing under the Indian Companies Act, 1956, having its registered office at Block no. 440, Gujarat Spun Pipe Compound, at and post Samiala Tal, Vadodara, Gujarat – 391 410(hereinafter referred to as the "**Company**", which expression shall, unless it be repugnant to the subject, meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns) of the **THIRD PART**;

The First Partner, the Second Partner and the Company shall, whenever the context so requires, hereinafter individually be referred to as a "**Party**" and collectively as the "**Parties**".

**WHEREAS:**

- A. The First Partner and the Second Partner were desirous of jointly conducting the Business (defined herein below) and, in this regard, entered into a joint venture agreement dated January 20, 2012 ("**First JVA**"). Pursuant to the First JVA, the First Partner and the Second Partner incorporated the Company having an authorised Share Capital (defined herein below) of Rs. 2,250,000,000 (Rupees Two Billion Two Hundred and Fifty Million) divided into 225,000,000 (Two Hundred and Twenty Five Million) Equity Shares (defined herein below) of Rs. 10/- (Rupees Ten only) each. As on the Effective Date, the total issued and paid up share capital of the Company is Rs. 450,000,000 (Rupees Four Hundred and Fifty million) divided into 45,000,000 (Forty Five Million) Equity Shares of Rs. 10/- (Rupees Ten) each.
- B. Under the First JVA, the First Partner and the Second Partner had agreed to subscribe to the Equity Shares of the Company in the following manner:

Time	Investment to be made		Total
	First Partner	Second Partner	
Within 30 days from the Incorporation Date of the Company (" <b>CID</b> ")	220.50	229.50	450.00
3 months of CID	220.50	229.50	450.00
6 months of CID	220.50	229.50	450.00
9 Months of CID	220.50	229.50	450.00
As may be mutually agreed before 18 months of CID	220.50	229.50	450.00

  
First Partner

  
Second Partner.

- C. The Company had received the first tranche payments from the First Partner and the Second Partner respectively in accordance with the terms of the First JVA, pursuant to which Shares, amounting to 49% and 51% of the total issued and paid up capital of the Company, were issued to the First Partner and Second Partner respectively.
- D. The Second Partner transferred an amount of INR 229,500,000 (Indian Rupees Two Hundred and Twenty Nine Million Five Hundred Thousand) ("**Second Partner Additional Fund**") into the bank account of the Company as the second tranche payment in accordance with the terms of the First JVA. The Company has not issued any Shares to the Second Partner against the Second Partner Additional Fund received by the Company and the Second Partner Additional Fund continues to lie in the Company's bank account as share application money pending allotment.
- E. In light of the above stated facts, and consequent upon subsequent discussions and negotiations, the First Partner has agreed to retain 10% of shareholding in the Company and accordingly, the First Partner and the Second Partner shall hold 10% and 90% respectively of the total issued and paid up Share Capital of the Company.
- F. The Parties hereto have therefore agreed that their respective rights and obligations vis-à-vis the ownership, operation and management of the Company will be interpreted, acted upon and governed solely in accordance with the terms and conditions of this Agreement and the Memorandum of Association and Articles of Association of the Company, as amended pursuant hereto (defined herein below) and the Applicable Laws (defined herein below) for the time being in force.

**NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED, RECORDED AND CONFIRMED BY AND BETWEEN THE PARTIES HERETO AS UNDER:**

## **1. Definitions and Interpretation**

### **1.1 Definitions**

In this Agreement, unless the context otherwise requires or expressly provides, the following words shall have the following meanings respectively:

- 1.1.1 "**Affiliate(s)**" in relation to a Party, means any person, directly or indirectly owning, controlling, controlled by, or under common control with, that Party or any Person or entity forming part of such Party. The term "Own" shall mean the ownership, directly or indirectly, of at least 26% percent of the voting securities of such person and "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a Person or Persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders' agreements or voting agreements or in any other manner;

  
First Partner

  
Second Partner.

- 1.1.2 **"Agreed Proportion"** shall have the meaning ascribed to it in Clause 4.1.5;
- 1.1.3 **"Agreement"** shall mean this Joint Venture Agreement including all attachments, schedules and appendix thereto, and any subsequent modifications, alterations, additions, deletions or variation, made to this Agreement in writing by the Parties with mutual consent;
- 1.1.4 **"Applicable Law(s)"** means any statute, law, bye-laws, regulation, ordinance, protocols, codes, guidelines, policies, notices, directives, rule, judgment, order, decree or approval from the concerned Government or statutory Authority or other Governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned Authority having jurisdiction over the matter in question and any modifications and re-enactment thereof in force in the Republic of India;
- 1.1.5 **"Articles of Association"** means the Articles of Association of the Company, as altered, amended or modified from time to time;
- 1.1.6 **"Authority"** means any governmental, statutory, municipal or local authority including but not limited to government department, agency, commission, board, tribunal or court, or any other law, rule or regulation making body or entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;
- 1.1.7 **"Board"** shall mean the board of directors of the Company as constituted from time to time in accordance with Applicable Laws and the terms of this Agreement;
- 1.1.8 **"Business"** shall have the meaning ascribed to it in Clause 2.5.1;
- 1.1.9 **"Business Day(s)"** means a day other than Saturday and Sunday on which banks are open for normal banking business in Gujarat, India and Baoding, China;
- 1.1.10 **"Closing Date"** shall have the meaning as ascribed to it in Clause 2.3;
- 1.1.11 **"Companies Act"** shall mean the Companies Act, 2013, rules framed thereunder and any statutory modifications amendments or re-enactments thereto from time to time;
- 1.1.12 **"Deed of Adherence"** means the deed annexed hereto as **Appendix B**;
- 1.1.13 **"Directors"** shall mean the directors, for the time being, constituting the Board duly appointed as per the provisions of Applicable Law and the terms and conditions of this Agreement;
- 1.1.14 **"Effective Date"** shall mean the date of execution of this Agreement;
- 1.1.15 **"Encumbrance"** means and includes, (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust,

  
First Partner

  
Second Partner.

title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, (ii) any proxy for exercising voting rights issued to any third party, power of attorney issued to any third party for transferring and/or exercising any rights, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favor of any Person, and (iii) any adverse claim as to title, possession or use and the term "Encumber" shall be construed accordingly;

1.1.16 **"Equity Shares"** means the equity shares of the Company with the face value of Rs.10/- (Rupees Ten only) per share;

1.1.17 **"General Meeting"** means duly convened meeting, annual or extraordinary, as the case may be, of the Shareholders of the Company in accordance with the provisions of the Companies Act;

1.1.18 **"Government"** shall include the President of India, the Government of India, the Governor and the Government of any State of India, any Ministry or Department of the same and any local or other authority exercising powers conferred by Applicable Law and the term **"Governmental"** shall be construed accordingly;

1.1.19 **"IPR"** shall mean and include all intellectual property rights, being any patents, trademarks, designs, copyrights, applications for any of such rights, trade or business names, internet domain names, inventions, processes, geographical indications, neighbouring rights, trade secrets, formula and confidential know-how, integrated circuits, exploitation of any present or future technologies, proprietary information, and other industrial property rights, original works of authorship, developments, concepts, improvements whether capable of registration or protection under Applicable Law or not which is exploited, developed or owned but not disclosed other than pursuant to a confidential arrangement by the Company or any of its Affiliates while rendering the services provided by the Company;


1.1.20 **"Lock-In Period"** means the period of 7 (seven) years from the date of incorporation of the Company, being March 13, 2012 or such higher period as may be required by the Power Grid Corporation of India under a contractual obligation from time to time for maintaining the pre-qualification of the Company;

1.1.21 **"Long Stop Date"** means 90days from Effective Date, or such other extended date as may be mutually determined by the Parties;

1.1.22 **"Memorandum of Association"** means the Memorandum of Association of the Company, as altered, amended or modified from time to time in accordance with Applicable Laws;

1.1.23 **"Option Period 1"** means a period of 5 (five) years from the date of commencement of commercial production by the Company;

  
First Partner

  
Second Partner.

- 1.1.24 **"Option Period 2"** means a period of 2 (two) years from the date of commencement of commercial production by the Company;
- 1.1.25 **"Person"** means any natural person, firm, company, Governmental Authority, joint venture, association, partnership or other entity (whether or not having separate legal personality), proprietorship, trust or other enterprise (whether incorporated or not), Hindu Undivided Family, union, association, or any agency, department, Authority or subdivision thereof, a government or local Authority, department or other body or political subdivision, or an agency or instrumentality thereof and/or any other legal entity that may be treated as a person under Applicable Law and shall include their respective successors and assigns and in case of an individual shall include his/her/their legal heirs, administrators and executors and in case of a trust shall include the trustee or the trustees of the trust, for the time being;
- 1.1.26 **"Products"** means all types of AC Power transformers and reactors ranging from 220kV to 765 kV;
- 1.1.27 **"Proprietary Information"** means the technical, engineering, economic, marketing, financial or other information as may be developed by or owned by either Party and/or its Affiliates, which is not known to others and is marked or designated as confidential by the Party disclosing the same;
- 1.1.28 **"Reserved Matters"** shall mean the matters as listed in **Appendix F** and shall include Board Meeting Reserved Matters and General Meeting Reserved Matters mentioned therein;
- 1.1.29 **"Rs.", "Rupees" or "INR"** shall mean Indian Rupees;
- 1.1.30 **"Senior Management"** shall mean and include the Directors appointed in the executive post, MD/CEO, CFO, CTO and other senior officers of the Company as designated by the Board from time to time;
- 1.1.31 **"Shareholders"** shall collectively mean the First Partner and the Second Partner and/or their Affiliates or any third party(s) who have executed the Deed of Adherence and the term **"Shareholder"** shall mean each of them individually;
- 1.1.32 **"Shares"** means and includes the Equity Shares in the Company, with the par value of Rs.10 (Rupees Ten only) each and shall include all kinds of shares and also include any security, instrument or right (whether vested, deferred or contingent) entitling or enabling the allottee or holder thereof to acquire, whether directly or indirectly, shares of, beneficial interest or voting rights in, the Company (as adjusted for any stock splits and stock combinations);
- 1.1.33 **"Share Capital"** means the total issued, subscribed and paid up share capital of the Company, including Shares and preference shares, calculated on a fully diluted basis;
- 1.1.34 **"Transfer"** shall mean to sell, gift, give, assign, transfer, trust, mortgage, alienate, hypothecate, pledge, Encumber, grant a security, interest in, or

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First Partner



Second Partner.

suffer to exist (whether by operation of Applicable Law or otherwise) any Encumbrance on, any Share or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily including, without limitation, any attachment or assignment for the benefit of creditors against the Company or appointment of a custodian, liquidator or receiver of any of its properties, business or undertaking, but shall not include transfer by way of testamentary or interstate succession.

## 1.2 **Interpretation**

While construing any term or provision in this Agreement:

- 1.2.1 References to Recitals, Clauses and Schedules are to the recitals and clauses of, and schedules to, this Agreement;
- 1.2.2 Heading and bold typeface are only for convenience and shall be ignored for the purpose of interpretation;
- 1.2.3 Words denoting the singular shall include the plural and words denoting any gender shall include all genders;
- 1.2.4 The terms "hereof", "hereto" and derivative or similar words refer to this entire Agreement or specified Clauses of this Agreement, as the case may be;
- 1.2.5 Reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to statutory provision shall include any subordinate legislation made from time to time under that provision;
- 1.2.6 Reference to the word "include" shall be construed without limitation;
- 1.2.7 Unless otherwise stated herein, wherever consent, notice, approval, authorization, or determinations are required under or pursuant to this Agreement from or by any Party, the same shall be valid and effectual only if in writing under the hands of a duly authorized representative of such Party in this behalf and not otherwise;
- 1.2.8 Any appendix to this Agreement forms an integral part hereof and will be of full force and effect when executed in terms thereof as if they were expressly set out in the body of this Agreement. In case of any inconsistency between the main body of this Agreement and any Appendix, the provisions of this Agreement shall prevail;
- 1.2.9 Each of the representations and warranties provided in this Agreement is independent of other representations and warranties in this Agreement and unless the contrary is expressly stated, no Clause in this Agreement limits the extent or application of another Clause;
- 1.2.10 In determination of any period of days for the occurrence of an event or the performance of any act or thing shall be deemed to be exclusive of the day on which the event happens or the act or thing is done and if the last

day of the period is not a Business Day, then the period shall include the next following Business Day;

1.2.11 A reference to a specific time for the performance of an obligation is a reference to that time in the country, province, state or place where that obligation is to be performed;

\* 1.2.12 It is agreed between the Parties that this Agreement shall supercede the First JVA and any and all arrangements, whether express or implied, regarding the subject matter of this Agreement shall be modified accordingly;

1.2.13 Any reference to a document in "Agreed Form" is to a document in a form agreed among the Parties initialled for the purpose of identification by or on behalf of each of them (in each case such amendments may be agreed by or on behalf of the Parties);

1.2.14 No provision shall be interpreted in favour of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof; and

1.2.15 Any reference to any statute or statutory provision shall include:

- (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
- (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Agreement) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Agreement and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced.

## **2. The Joint Venture Company**

2.1 As on the Effective Date, the Company has such particulars as set out in **Appendix A.**

### **2.2 Conditions Precedent**

2.2.1 The obligation of the Second Partner to subscribe to the Second Partner Shares (defined herein below) is conditional on the following conditions ("**Conditions Precedent**") being (i) fulfilled or waived in accordance with this Agreement and, in each case, in such form and substance satisfactory to the relevant Party entitled to claim fulfillment; and (ii) the execution and delivery of the documents set out therein to the relevant Parties unless any one or more of the following is waived by the Parties in writing:

  
First Partner

  
Second Partner.



- (a) the Company having passed a special resolution in terms of Section 62(1)(c) of the Companies Act for the issue and allotment of the Second Partner Shares;
- (b) the Company having obtained a valuation report from a registered valuer/chartered accountant in accordance with the Companies Act and the Foreign Exchange Management Act, 1999 and regulations framed thereunder;
- (c) each Party delivering copies of duly executed corporate authorizations in respect of entering into and performing its obligations under this Agreement;
- (d) the finalization of the Articles of Association in Agreed Form incorporating the provisions of this Agreement;
- (e) no adverse action having been taken by a Governmental Authority in respect of the Company which has not been revoked, annulled, withdrawn, discontinued, abandoned, repealed, discharged or otherwise ceased to have effect;
- (f) each of the representations and warranties given by each of the Parties under this Agreement being true, complete, accurate and not misleading as at the Closing Date.

2.2.2 Each Party shall use all reasonable efforts to ensure that each of the Conditions Precedent required to be performed by it are, unless waived, fulfilled as soon as possible but no longer than the Long Stop Date.

2.3 The Parties hereby agree that within a period of 15 (fifteen) days from the fulfillment of all the Conditions Precedents, unless waived or on such later date as may be determined by the Second Partner ("**Closing Date**"):

2.3.1 The Company shall allot and issue 22,950,000 (Twenty Two Million Nine Hundred and Fifty Thousand) Equity Shares to the Second Partner against the Second Partner Additional Fund, such that its shareholding increases to 67.55% of the Share Capital of the Company ("**Second Partner Shares**").

2.3.2 It is clarified that, pursuant to the issue of Second Partner Shares, the shareholding pattern of the Company shall be in the following proportion:

Name of shareholder	No. of Shares	Percentage shareholding
First Partner	22,050,000	32.45%
Second Partner	45,900,000	67.55%
<b>Total</b>	<b>67,950,000</b>	<b>100%</b>

2.3.3 The Company shall ensure that all necessary meetings of the Board and the Shareholders are held on the Closing Date, at which the following actions shall take place:

- a) the Board shall approve the issuance and allotment of the Second Partner Shares and the names of the Second Partner shall be

  
First Partner

  
Second Partner.

entered in the Company's register of member as the respective holders of the Second Partner Shares and that share certificates are issued to the Second Partner representing the Second Partner Shares;

- b) the Board shall be reconstituted, by way of appointment or resignation, as the case may be, in such manner that the Board comprises of a total of 5 (five) Directors, with 1 (one) director nominated by the First Partner and 4 (four) Directors nominated by the Second Partner;
- c) new authorized signatories nominated by the Second Partner shall be appointed to operate the Company's bank accounts and perform other financial/non-financial transactions independently;
- d) all outstanding powers of attorney(s), if any, and any other authorizations granted by the Company in favour of any nominee of the First Partner shall be rescinded;
- e) the Company shall adopt the amended Articles of Association to conform to the provisions of this Agreement.

2.3.4 The Company shall deliver the following documents to the Second Partner:

- a) the duly stamped and executed share certificates representing the Second Partner Shares;
- b) certified extract of the register of members showing the Second Partner as member of the Company;
- c) certified copy of the resolution passed by the Board reflecting the reconstitution of the Board in terms of Clause 2.3.3(b) above.


2.3.5 The Company shall:

- a) within 15 (fifteen) days from the Closing Date, file all required documents with the RoC in relation to the issuance of the Second Partner Shares and reconstitution of the Board, and provide a copy of proof of such filings to the Second Partner;
- b) within 30 (thirty) days from the Closing Date file the required documents including the Form FC-GPR with Reserve Bank of India as required under the Foreign Exchange Management Act, 1999 and the regulations framed thereunder and provide a copy of proof of such filings to the Second Partner.

2.3.6 The Company alone shall be responsible for the payment of any and all taxes or duties related to the allotment, stamp, registration or other similar taxes attributable to the execution of the Agreement, and/or the issuance and allotment of the Second Partner Shares.

2.4 The rights and obligations of the First Partner and the Second Partner hereto as Shareholders with respect to their business relationship in the

  
First Partner

  
Second Partner.

Company, including, without limitation, the organization, operation and management of the Company, shall be strictly interpreted, acted upon, and governed in accordance with the terms and conditions of this Agreement. To the extent there is any conflict or inconsistency between the Memorandum of Association or the Articles of Association and this Agreement, the Parties shall, insofar as possible, exercise their rights as Shareholders, to amend the Memorandum of Association and the Articles of Association to accord with the terms of this Agreement.

## 2.5 Conditions Subsequent

The Company shall within 6 (six) months from the Closing Date, file a compounding application with the Reserve Bank of India for not allotting shares/refunding share application money received from the Second Partner towards the Second Partner Additional Funds within 180 (one hundred eighty) days of receipt of the Second Partner Additional Funds.

## 2.6 Business of the Company

2.6.1 The main business of the Company shall be the manufacturing, production, testing, repairing, selling, exporting and dealing with the Products and such other business as may be agreed by the Parties by mutual consent ("**Business**").

2.6.2 The Parties recognise that due to delays caused during the intervening period during which the Parties herein were re-negotiating the terms and conditions of the JVA, there would be delays in procuring the conversions of Land (defined herein below) as the earlier applications and process completed have already become redundant and therefore the entire action will have to be substantially recommenced. Accordingly, the First Partner shall, within a period of 90 (ninety) days from the Closing Date or such other period as may be mutually agreed between the First Partner and the Second Partner owing to delays caused by any action or omission by a Governmental Authority, ensure that all procedures relating to the conversion of such piece of land, details of which have been set out in Appendix C ("**Land**"), is completed.

2.6.3 The Company shall set up a plant to manufacture and service the Products at Vadodara on the Land and the said plant shall be set up in such a manner that it will have the capacity to manufacture and service all types of transformers and reactors from 220 kV to 765 kV, whereas the factory will be constructed in a manner so as to reserve the space against new investment to manufacture transformers and reactors up to 1200 kV.

## 3 Technology Transfer License Agreement

3.1 The Parties acknowledge that the Company has entered into a Technology Assistance and License Agreement dated July 4, 2012 with the Second Partner for the consideration and on the terms and conditions recorded therein for the production and manufacturing of the Products ("**TALA**").

  
First Partner

  
Second Partner.

- 3.2 It is agreed that till such time the TALA is amended and restated, the provisions of the TALA entered into on July 4, 2012 shall be valid and binding on all the Parties including the Company. The Parties agree that the TALA shall be amended and restated on such terms and conditions as set out in **Appendix E** and as may be mutually agreed between the Parties and signed either on the Effective Date or within 30(thirty) days from the Effective Date of this Agreement.

#### **4 Further Investments**

##### **4.1 Further Subscription**

- 4.1.1 The authorized capital of the Company is an amount of INR. 2,250,000,000 (Rupees Two Billion Two Hundred and Fifty Million) and any further subscription till such authorised capital level shall be brought into the Company as per the schedule below ("**First Further Subscription**"):

Time	Investment to be made	
	First Partner	Second Partner
Aug-Oct., 2015	-	INR 600,000,000
Oct.-Dec., 2015	-	INR 500,000,000
Dec. 2015-March, 2016	INR 4,500,000	INR 466,000,000

- 4.1.2 The Company shall make an offer on a preferential basis or on a private placement basis, as the case may be, in accordance with the provisions of the Companies Act and the rules framed thereunder for the issuance and allotment of the Equity Shares to the respective Shareholders as set out in Clause 4.1.1.
- 4.1.3 The Shareholders undertake and agree to take all reasonable actions, including the exercise of the votes attached to their Shares, to ensure that the Company issues and allots the Equity Shares to the Second Partner and the First Partner in accordance with the terms and conditions set out in this Clause 4.1.
- 4.1.4 In the event Equity Shares are not allotted to the Shareholders within 30 (thirty) days from the receipt of subscription money from the relevant Shareholders, the Company shall forthwith return such share subscription money to the respective Shareholder in accordance with the provisions of the Companies Act, the Foreign Exchange Management Act, 1999 and the Regulation issued thereunder.
- 4.1.5 It is clarified that, pursuant to the completion of the First Further Subscription, the shareholding pattern of the Company shall be in the following proportion ("**Agreed Proportion**"):

Name of shareholder	No. of Shares	Percentage shareholding
First Partner	22,500,000	10%
Second Partner	202,500,000	90%
Total	225,000,000	100%

- 4.2 All future funding of the Company beyond the First Further Subscription shall, subject to the approval of the Board and the provisions of Applicable Laws, be done through any one or combination of any of the following, in the order of priority as set out below ("**Second Further Subscription**"):
- 4.2.1 Upon the completion of Clause 4.1.5, subject always to Clause 4.3 below and only during the continuance of the Option Period 1, issuance of Shares to the First Partner on a preferential basis in accordance with Applicable Laws;
- 4.2.2 Subject to the Reserved Matters, loans from banks or financial institutions, where each of the Shareholders, if reasonably required by a lender as a condition for granting such financing, provides appropriate guarantees in proportion to its shareholding in the Company;
- 4.2.3 Issuance of Shares to the existing Shareholders in accordance with Applicable Laws in the Agreed Proportion or such other proportion as may be mutually agreed between the Parties.
- 4.3 Notwithstanding anything contained in this Agreement, the Parties agree that the shareholding of the First Partner in the Company shall not, at any time and under any circumstance whatsoever, exceed 49% (forty nine percent) of the Share Capital of the Company.
- 4.4 Subject to Clause 4.3 above, in the event future funding is done under Clause 4.2.3, then in case where a Shareholder fails or omits to contribute whole or part of the sum required to be contributed by it within the stipulated time ("**Non-contributing Shareholder**"), then the Shareholder other than the Non-contributing Shareholder may contribute the balance sum and the Company shall allot Shares to the Shareholders who have contributed the sum in proportion to their respective contribution. In the event of all the Shareholder(s) failing to contribute or the Shareholder other than the Non-contributing Shareholder refusing to contribute for the Non-contributing Shareholder's portion, the Board shall determine the funding route.

## **5 Conduct of Board and Board Meetings**

### **5.1 Composition**

Unless otherwise agreed or required under the Companies Act, the Board shall, during the term of this Agreement, consist of 5(five) Directors nominated by the Shareholders in the manner set out hereinafter.

### **5.2 Shareholder's Right to nominate**

The First Partner shall have a right to nominate 1 (one) Director on the Board of the Company (the "**First Partner Director(s)**") and Second Partner shall have a right to nominate 4 (four) Directors on the Board of the Company (the "**Second Partner Director(s)**"). Upon allotment consequent upon Second Further Subscription or upon exercise of the First Call Option or the Second Call Option, when the Shareholding of the First Partner

  
First Partner

  
Second Partner.

increases to 26% (twenty six percent) of the Share Capital of the Company or above, the First Partner shall have a right to nominate 2 (two) Directors on the Board of the Company and the Second Partner shall have a right to nominate 5 (five) Directors on the Board of the Company. It is agreed that upon the shareholding of a Shareholder in the Company reducing to less than 5% (five percent) of the Share Capital of the Company, the said Shareholder shall not have any right to nominate any person to the Board of the Company.

5.3 **Qualification**

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

5.4 **Alternate Director and Additional Directors**

5.4.1 The Shareholders shall be entitled to nominate an alternate Director to act for any Director of the Company nominated by them (hereinafter referred to as the "Original Director") during the absence of the Original Director for a period of not less than 3 (three) months from India. The Shareholders shall also have the right to withdraw their nominated alternate director and appoint another in his place. An Alternate Director appointed under this Clause shall not hold office for a period longer than that permissible to the Original Director in whose place he has been so appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is terminated before he so returns to that State, any provisions in the Companies Act for the automatic reappointment of any retiring Director, in default of another appointment, shall apply to the Original Director and not to the Alternate Director. The acts of the Alternate Director acting for the Original Director will be deemed to be the acts of the Original Director. Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the relevant RoC. The Alternate Director shall be entitled to receive notice of a meeting of the Board or committee thereof, along with all relevant papers in connection herein below and to attend and vote thereat in place of the Original Director and generally to perform all functions of the Original Director in his absence.

5.4.2 The Board may appoint any person, other than a person who fails to get appointed as a director in a General Meeting, as an additional director at any time who shall hold office up to the date of the next annual General Meeting or the last date on which the annual General Meeting should have been held, whichever is earlier.

5.5 **Directors Insurance Policy**

5.5.1 The Company may obtain Director and officers' liability insurance for an amount and on terms acceptable to the Board, in favour of the Directors from a reputable insurance company in respect of claims or liabilities resulting from the actions or omissions of the Directors of the Company to the extent permitted by Applicable Law. Notwithstanding above, the Company shall obtain an insurance of a sum of US \$ 1.00 Million (United State Dollars One Million) as specific insurance for all the Directors in respect of claims or liabilities resulting from the actions or omissions of the

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First Partner  
Second Partner.

Directors of the Company to the extent permitted by Applicable Law.

5.5.2 The Company shall indemnify the Directors against:

- a) Any act, omission or conduct (including, without limitation, contravention of any law) of or by the Company or, its officials, employees, managers, representatives or agents as a result of which, in whole or in part, the Director is/are made a party to, or otherwise incurs any costs, charges, expenses, damages or loss, including loss pursuant to or in connection with any such act, omission or conduct (collectively the "Loss"); and
- b) Any Loss arising from any action or omission to act, by the Director at the request of, or with the consent of the Company.

5.6 **Directors' Access**

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Each Director shall be entitled to examine the books, accounts and records of the Company and shall have free access, at all reasonable times. The Company shall provide on monthly basis, quarterly basis and annual basis, information pertaining to the financial performance, financial position, production, stocks, pending orders, sales, costs, profitability, cash flow, project implementation and updates, financial liabilities, commitments, claims and capital expenditure in a format and frequency mutually agreed upon from time to time and shall also provide such further information relating to the business affairs and financial position of the Company as any Director may require.

5.7 **Chairman of the Board**

The Second Partner shall be entitled to nominate one of its nominees as the Chairman of the Board. The Chairman so nominated shall be entitled to chair all the meetings of the Board and the Company and the Chairman shall not have casting vote in respect of any resolution.

5.8 **Board Meetings; Frequency and Language**

- 5.8.1 At least 4 (four) meetings of the Board ("Board Meeting") will be held in every calendar year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board.
- 5.8.2 English shall be the official and working language for the meetings of the Board.
- 5.8.3 The venue of the Board Meetings shall be at Vadodara or such other place to be determined by Board of Directors of the Company.

5.9 **Notice**

A Board Meeting may be called by the Chairman or any Director by giving notice in writing to each Director specifying the date, time, venue accompanied by a written agenda specifying the business of such Board

  
First Partner

  
Second Partner.

Meeting and copies of all papers relevant for such Board Meeting. Sufficient information shall be included with such notice to the Directors to enable each Director to make an informed decision on the issue in question at such meeting. Not less than a minimum 14 (fourteen) days' prior written notice shall be given to each Director of any Board Meeting, accompanied by the agenda for the Board Meeting, unless all the Directors have given unanimous written approval for a meeting called at shorter notice. The quorum for the Board Meeting shall be as provided herein below.

#### 5.10 Quorum

5.10.1 The quorum for the meetings of the Board or any adjournment thereof shall require the presence of one-half of the Directors or two Directors, whichever is higher. It is agreed that, on and from the date on which the First Partner holds 26% or more of the Share Capital of the Company, the Quorum shall require presence of at least one Director nominated by the First Partner.

5.10.2 If, within half an hour from the time appointed for holding a meeting of the Board, quorum as per Clause 5.10.1 above is not present, then the meeting shall stand adjourned to the same day next week, at the same time and place and at such adjourned meeting, the Directors present shall constitute a valid quorum. It is agreed that in any Board Meeting:

(a) nothing other than as stated specifically in the agenda for the original meeting shall be transacted;

(b) no Board Meeting Reserved Matters shall be considered at an adjourned meeting unless at least 1 (one) First Partner Director and 1 (one) Second Partner Director are present at such adjourned meeting.

5.10.3 The Company shall issue notice in writing to each Director the same day or the next following business day, of the adjournment of the meeting and the scheduled date, time and place of the adjourned meeting of the Board of Directors.

#### 5.11 Voting

5.11.1 At any Board Meeting, each Director may exercise 1 (one) vote and all decisions, other than those related to the Reserved Matters, shall be by way of simple majority.

5.11.2 No item of business relating to the Reserved Matters shall be transacted by the Board unless (a) previously stated as an agenda item in the notice issued under Clause 5.9 above; and (b) for the Reserved Matters which are required to be resolved by the Board, at least 1 (one) First Partner Director and 1 (one) Second Partner Director have given their consent in writing prior to the meeting of the Board in favour of such Reserved Matters.

5.11.3 In the event no affirmative vote is received with respect to a Reserved Matter under this Clause, the said Reserved Matter item shall be dealt with in accordance with the provisions set out in **Appendix G** ("Board



Deadlock").

**5.12 Removal and replacement of Nominee Directors**

The Shareholders shall be entitled to, subject to Applicable Law, remove or replace the persons nominated by it for appointment as Directors of the Company and nominate any other person(s) for appointment as Directors of the Company, from time to time. The Shareholders shall take, and shall procure the Company to take, prompt action for giving effect to such nomination or changes in the nomination made from time to time.

**5.13 Filling up vacancies**

In case the office of a Director of the Company becomes or falls vacant for any reason, the Shareholders agree to exercise their respective votes and cause their representatives to vote, for appointment as Director a person nominated by the Shareholder who had nominated the Director whose office has become or fallen vacant.

**5.14 Resolution by Circulation**

5.14.1 In addition to physical meetings, the Board may act by circular resolution on any matter, except any resolution on any Reserved Matter required to be passed in accordance with the provisions of Clause 5.11.2 and those matters which under the Companies Act or rules made thereunder, may only be acted upon at a meeting in person.

5.14.2 Subject to the provisions of the Companies Act, the Articles of Association and this Agreement, a resolution passed by circulation shall be as valid and effectual as a resolution duly passed at a meeting of the Board called and held in accordance with provisions of the Companies Act and the Articles of Association of the Company, provided that such resolution has been circulated in draft form, together with relevant papers, if any, to all the Directors (including Directors resident abroad and the Alternate Directors) and has been approved by a majority of votes.

**6 General Meeting**

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**6.1 Notice**

Prior written notice of at least 21 (twenty one) clear days for convening the General Meeting shall be given to all Shareholders of the Company. A General Meeting may however be called by the Chairman on less than 21 (twenty one) clear days prior written notice with the prior consent, written or electronic, of not less than 95% (ninety five percent) of the Shareholders entitled to vote at such meeting. Every notice shall be accompanied by the agenda setting out the particular business proposed to be transacted at such meeting of the Company and shall specify the date, time and venue of the meeting.

**6.2 Quorum**

6.2.1 No business of the Company shall be transacted at any General Meeting unless a valid quorum of at least 2 (two) Shareholders, which must include the First Partner and the Second Partner, either in person or by proxy, is present.

6.2.2 Subject to Clause 6.2.1, if within half an hour of the time appointed for the convening of a General Meeting, the quorum specified above is not present, the General Meeting shall stand adjourned to the same day in the next week at the same time and place, provided however, at such adjourned meeting the quorum requirement under Clause 6.2.1 shall not be necessary and the members then present shall constitute a valid quorum however, in such an adjourned meeting:

- (a) nothing other than as stated specifically in the agenda for the original meeting shall be transacted;
- (b) no General Meeting Reserved Matters shall be considered at an adjourned meeting unless both, the First Partner and the Second Partner, are present at such adjourned meeting.

6.2.3 The Company shall issue notice in writing to each Shareholder and its Directors the same day or the next following Business Day, of the adjournment of the meeting and the scheduled date, time and place of the adjourned General Meeting.

6.3 All matters, which require approval of the shareholders by resolution passed in General Meeting under the provisions of the Companies Act, shall be subject to approval of the shareholders of the Company in General Meeting in accordance with the provisions of Clause 6.

#### 6.4 Voting Rights

6.4.1 At any General Meeting, a resolution put to the vote of the meeting shall be decided by way of a poll.

6.4.2 No item of business relating to the Reserved Matters shall be transacted at a General Meeting unless (a) previously stated as an agenda item in the notice issued under Clause 6.1 above; and (b) has received an affirmative consent in writing of both, the First Partner and the Second Partner prior to the General Meeting.

6.4.3 In the event no affirmative vote is received with respect to a Reserved Matter under this Clause, the said Reserved Matter item shall be dealt with in accordance with the provisions set out in **Appendix G("Shareholder Deadlock")**.

6.4.4 The Shareholders hereby agree and undertake to exercise all of their voting rights in relation to the Shares held by them in the Company in such manner so as to give full effect to the terms and conditions of this Agreement.

6.4.5 No Party shall grant any proxy or enter into or agree to be bound by any shareholder agreement or like arrangements of any kind (including any

  
First Partner

  
Second Partner.

arrangement or agreement with respect to the acquisition, disposition or voting of any Shares) with any Person (including any Person that becomes a Shareholder hereafter) that is inconsistent with any of the provisions of this Agreement.

## **7 Management and Decisions**

7.1 The Parties agree that all actions and decisions relating to the Company and the Business of the Company shall be authorized and supervised by the Board and taken by the Senior Management, which shall always act in furtherance of the best interests of the Company and in accordance with Applicable Laws.

7.2 All decisions on the day-to-day management of the affairs of the Company shall be taken by Senior Management involved in the operation of the Company according to such duties and responsibilities shared and imposed upon each of them. Each nominated senior manager engaged in the management of the affairs of the Company and Directors appointed in executive post shall devote so much of his time and attention to the Business and welfare of the Company, and shall obey the orders, from time to time, of the Board and in all respects, conform to and comply with the directions and regulations made by the Board, and shall faithfully serve the Company and use his utmost endeavour to promote the interest thereof. In case where there is a difference of opinion between the nominated Directors or senior executives of the Company on the day-to-day management, then the matter shall be referred to the Board for its decision.

### **7.3 Managing Director / CEO**

(9)  
The day-to-day management of the Company shall be entrusted by the Board to a Managing Director (MD) or Chief Executive Officer ("CEO"). The MD or CEO shall be nominated by the Second Partner. The MD/CEO shall be appointed by the Board and the person so nominated shall be a full time employee of the Company based in India and shall be entitled, subject to Applicable Law, to such remuneration as is applicable to such officer in India from time to time.

### **7.4 The Chief Financial Officer**

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The Chief Financial Officer ("CFO") of the Company shall be nominated by the Second Partner and the person so appointed shall be a full time employee of the Company based in India and shall be entitled, subject to Applicable Law, to such remuneration as is applicable to such officer in India from time to time. It is clarified that the First Partner shall be entitled to nominate a manager in the finance department of the Company. The remuneration payable to such mid-level manager shall be as is applicable to such officer in India from time to time.

### **7.5 The Chief Technical Officer/ CTO**

The Chief Technical Officer ("CTO") of the Company shall be nominated by the Second Partner. The person so appointed shall be a full time

employee of the Company, based in India and shall be entitled, subject to Applicable Laws, to such remuneration as applicable to such officer in India from time to time. The CTO shall be in charge of and responsible for the technological aspects of the manufacturing and servicing of the Products.

## **8 Inter-Se Transfers**

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- 8.1 The Shareholders may Transfer its Shares to any of its Affiliates subject to the following conditions:
  - 8.1.1 The transferring Shareholder shall not, directly or indirectly, Transfer or attempt to Transfer, the Shares held by it to any of its Affiliate without providing prior written notice to the other Shareholder; and
  - 8.1.2 the transferring Shareholder shall cause such Affiliate to execute and deliver to the other Shareholder and the Company, the Deed of Adherence within 4 (four) calendar days from the date of execution of the Deed of Adherence.
- 8.2 If at any time in future the shareholding Affiliate is likely to cease to be an Affiliate of the Shareholder (from which or from whose Affiliate the shareholding Affiliate acquired the Shares), that Shareholder shall ensure that the Shares held by that Affiliate are Transferred to the original Shareholder or to another Affiliate of the original Shareholder, prior to the shareholding Affiliate ceases to be an Affiliate and the Deed of Adherence is executed by the transferee Affiliate and the executed Deed of Adherence is delivered to the other Shareholders and the Company within 4 (four) calendar days from the date of its execution.

## **9 Transfer of Shares**

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- 9.1 The provisions of this Clause 9 shall not apply to inter-se transfers between the Affiliates of Shareholders.
- 9.2 No rights conferred by the ownership of a Share may be Transferred separately from legal title to the Equity Share itself and no Equity Share can be Transferred by any Shareholder, other than pursuant to the provisions of this Agreement. Any Transfer of Shares not made in accordance with the provisions of this Agreement shall be null and void *ab initio*.
- 9.3 A Transfer of the Shares to any Person (other than to any Shareholder) pursuant to the terms of this Agreement shall be permissible on the following conditions:
  - a) the transferee shall execute a Deed of Adherence;
  - b) in case of the Transferor being the First Partner or any of its Affiliates, no Transfer shall be made to any entity which competes, anywhere in the world, with the business of the Second Partner with respect to the Products or with the Business;

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First Partner

  
Second Partner.

- c) the Transfer shall be part or all the Shares held by the transferring Shareholder; and
- d) during the Lock-in-Period shareholding of the Second Partner shall not reduce below the minimum agreed contractual obligation with Power Grid Corporation of India.

#### 9.3A First Call Option – 49 %

Upon the completion of Clause 4.1.5, subject always to Clause 4.3 above and during the Option Period 1, the First Partner shall have the right to purchase from the Second Partner or its Affiliate such number of Shares ("**Option 1 Shares**") held by the Second Partner in the Company in order to increase the shareholding of the First Partner up to 49% (forty nine per cent) of the Share Capital of the Company ("**First Call Option**"). The purchase price for transfer of Shares to the First Partner from the Second Partner pursuant to the First Call Option shall, subject to Applicable Laws, be the fair market value of the Shares in relation to which the option is exercised as calculated by an independent valuer so appointed in the manner provided in Clause 9.3C below.

Provided however, that before exercise of the First Call Option referred to in the above paragraph, if the Second Partner has, subject to Clause 9.4 herein, Transferred part of its Shares to a third Party (other than an Affiliate of the Second Partner), then to the extent of Shares so Transferred by the Second Partner, the Option 1 Shares shall automatically reduce.

#### 9.3B Second Call Option – 26 %


Upon the completion of Clause 4.1.5, subject always to Clause 4.3 above and during the Option Period 2, the First Partner shall have the right to purchase from the Second Partner or its Affiliate such number of Shares ("**Option 2 Shares**") held by the Second Partner in the Company in order to increase the shareholding of the First Partner up to 26 % (twenty six per cent) of the Share Capital of the Company ("**Second Call Option**"). The purchase price for transfer of Shares to the First Partner from the Second Partner pursuant to the Second Call Option shall, subject to Applicable Laws, be the fair market value of the Shares in relation to which the option is exercised as calculated by an independent valuer so appointed in the manner provided for in Clause 9.3C.

During the Option Period 2, the First Partner shall not be entitled to transfer its Shares to any person other than its Affiliates.

- 9.3C For the purpose of determining the fair market value ("**FMV**") of Shares under this Agreement, the Shareholders shall appoint, by mutual consent, an independent valuer (the "**Independent Valuer**"), within 10 (ten) Business Days of such requirement having arisen, for valuation of the FMV of the relevant Shares under consideration. The Independent Valuer shall, subject to Applicable Laws, determine the FMV of the Shares on the basis of the value of the Company arrived at as per asset-based approach on a

Valuation  
on asset  
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approach

  
First Partner

  
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going concern basis and after taking into account the value of underlying assets and future prospects of the Company. The Independent Valuer shall issue its valuation report within 30 (thirty) days from its appointment or on such other day as may be mutually agreed to by the First Partner and the Second Partner in writing.

9.3D The Parties shall complete the Transfer of Shares to the First Partner pursuant to the First Call Option or the Second Call Option, as the case may be, within a period of 6 (six) months from the date on which the First Partner exercises its First Call Option or the Second Call Option, as the case may be.

#### 9.4 Right of First Refusal

9.4.1 Subject to the provisions of Clause 9, if, at any time, any of the Shareholders ("**Transferring Shareholder**") wish to directly or indirectly Transfer all or any of its Shares ("**Offered Shares**") to any Person (other than its Affiliates) who has made a bona fide offer for the Offered Shares ("**Transferee**"), then the Transferring Shareholder shall be under an obligation to first offer all of its legal and beneficial interest in the Offered Shares to the non-transferring Shareholder ("**Other Shareholder**"), in accordance with this Clause 9.4 ("**Right of First Refusal**") and the following procedures shall be complied with:

- a) The Transferring Shareholder shall notify the Other Shareholder in writing ("**Transfer Notice**") of its intention to Transfer the Offered Shares, and the Transfer Notice shall set out: (i) number of the Offered Shares, (ii) the identity of the prospective Transferee, if any (iii) price per Share at which the Transferring Shareholder is willing to transfer Offered Shares ("**Offer Price**"); (iv) details of any other terms in relation to such proposed Transfer; and (v) in the event the Second Partner is the Transferring Shareholder, its intention to exercise the Drag Along Right, if required, in accordance with Clause 10 below, in which case, the procedure set out in Clause 10 shall apply.
- b) Within a period of 60(sixty) Business Days from receipt of the Transfer Notice by the Other Shareholder ("**Acceptance Period**"), the Other Shareholder may notify the Transferring Shareholder by way of a letter of acceptance ("**Acceptance Letter**") that it wishes to purchase the Offered Shares or notify its intention to exercise its Tag Along Right under Clause 9.4.2 below, in which case, the procedure set out in Clause 9.4.2 shall apply. For the avoidance of doubt it is clarified that in case where the Other Shareholder is the First Partner, then the Tag Along Right (Clause 9.4.2) of the First Partner can be exercised only in case where, upon transfer of the Offered Shares, the shareholding of the Second Partner will reduce below 51% of the total paid up and issued Share Capital of the Company. It is further clarified that in the event the Second Partner is the Transferring Shareholder and it notifies its intention to exercise the Drag Along Right in accordance with Clause 10 below, the First Partner shall not exercise its Tag Along Right.
- c) In the event that the Other Shareholder agrees to purchase the

  
First Partner

  
Second Partner.

Offered Shares of the Transferring Shareholder, the Transfer of the Offered Shares by the Transferring Shareholder to the Other Shareholder shall be completed within 120 (One hundred twenty) Business Days of receipt of Acceptance Letter by the Transferring Shareholder on the same terms and conditions as set out in the Transfer Notice.

- d) A Transfer Notice once made shall be irrevocable.
- e) If the Other Shareholder declines to purchase the Offered Shares within the Acceptance Period, the Transferring Shareholder and the Transferee shall complete the Transfer of the Offered Shares at such terms and conditions, including the Offer Price, not more favourable than those offered to the Other Shareholder under the Transfer Notice, within a period of 120 (one hundred and twenty) Business Days from the earlier of the affirmative decline by the Other Shareholder or the end of Acceptance Period ("**Sell-Off Period**").
- f) If the Transferring Shareholder and the Transferee fail to complete the Transfer of the Offered Shares within the Sell-off Period as specified in paragraph (e) above, the Transferring Shareholder shall once again comply with the provisions of this Clause 9.4 for any subsequent sale of its Shares.

#### 9.4.2 Tag-Along Rights

- (a) In the event the Other Shareholder exercises its Tag Along Right as mentioned in Clause 9.4.1(b) above, then the Other Shareholder shall send a tag along notice ("**Response Notice**") to the Transferring Shareholder. Subject to Clause 10 below, the Transferring Shareholder shall ensure that the proposed Transferee ("**Tag Along Transferee**") acquires the Shares offered by the Other Shareholder as provided for in this Clause 9.4.2. The offering of Shares, if any, by the Shareholders to the Tag Along Transferee shall, at all times, be made on a pro-rata basis. Tag Along right shall be exercisable by either Party in the following circumstances: (i) the Tag along right of First Partner shall be exercised only when the shareholding of the Second Partner, being the Transferring Shareholder, will reduce below 51% of the total paid up and issued Share Capital of the Company; (ii) the Tag Along Right of the Second Partner shall be exercised only if the shareholding of the First Partner, being the Transferring Shareholder, as on the date of the Transfer Notice, is above 26% of the total paid up and issued Share Capital.
- (b) The Other Shareholder shall send the Response Notice to the Transferring Shareholder within a period of 60 (sixty) Business Days from the date of receipt of the Transfer Notice ("**Tag Along Period**") requiring the Transferring Shareholder to ensure that the Tag Along Transferee also purchases all of the Shares held by the Other Shareholder in the Company and as mentioned in the Response Notice ("**Sale Shares**") at the same price and on the

  
First Partner

  
Second Partner.

same terms as are mentioned in the Transfer Notice and simultaneously with transfer of the Offered Shares.

- (c) Upon receipt of the Response Notice, then on such date as may be notified to the Other Shareholder by the Transferring Shareholder in writing and which date shall be within 30 (thirty) Business Days of the receipt of the Response Notice (i) the Tag Along Transferee shall pay the Offer Price in respect of the Offered Shares to the Transferring Shareholder and the Transferring Shareholder shall transfer the Offered Shares to the Tag Along Transferee; and (ii) the Tag Along Transferee shall pay the Offer Price in respect of the Sale Shares to the Other Shareholder and the Other Shareholder shall transfer the Sale Shares to the Tag Along Transferee.
- (d) In the event that the Other Shareholder does not deliver a Response Notice to the Transferring Shareholder prior to the expiry of the Tag Along Period or declines to exercise its Tag Along Right, then, upon the expiry of the Tag Along Period, the Transferring Shareholder shall be entitled to transfer the Offered Shares to the Tag Along Transferee at the Offer Price and on terms and conditions no more favourable than those specified in the Transfer Notice. If completion of the transfer of the Offered Shares to the Tag Along Transferee does not take place within a period of 30 (thirty) Business Days following the expiry of the Tag Along Period, the Transferring Shareholder's right to transfer the Offered Shares to such Tag Along Transferee shall lapse and the provisions of Clause 9.4 shall once again become applicable.

#### 10 DragAlong Rights of Second Partner

- 10.1 In the event, the Second Partner, being the Transferring Shareholder under Clause 9.4.1 above, proposes to Transfer all of its Shares to any third party ("**Drag Along Transferee**"), then the Second Partner shall have, subject to the Right of First Refusal of the First Partner contained in Clause 9.4 above, the right (but not the obligation) to drag along all of the Shares held by the First Partner ("**Drag Along Shares**") at the same price and on the same terms as those on which the Second Partner is Transferring its Shares to the Drag Along Transferee in the manner as stated in this Clause 10. The right granted to the Second Partner hereunder is called the "**Drag Along Right**".
- 10.2 The Second Partner shall exercise its Drag Along Rights by providing a written notice to the First Partner ("**Drag Along Notice**") which shall state (i) the identity of the prospective Drag Along Transferee, (ii) price per Share offered by the Drag Along Transferee for acquiring the Drag Along Shares ("**Drag Along Price**"); and (iii) details of any other terms that are material to such proposed Transfer. It is clarified that any consideration received by the Second Partner from the Drag Along Transferee for non-compete, technology, control premium, contingent payment or any other payment of any nature whatsoever connected with, related to or from the Drag Along Transferee or any Affiliate of the Drag Along Transferee shall be considered to be part of the price per Share proposed to be transferred.

  
First Partner

  
Second Partner.



- 10.3 In the event the Second Partner issues the Drag Along Notice in Clause 10.2 above, the First Partner shall have the obligation to, within a period of 30 (thirty) Business Days from the date of receipt of the Drag Along Notice by the First Partner or such other longer period as may be agreed between it and the Second Partner, sell the Drag Along Shares to the Drag Along Transferee at the Drag Along Price.
- 10.4 The First Partner shall provide representation and warranty as to its legal and beneficial title to the Drag Along Shares and its ability to transfer the Drag Along Shares free of all Encumbrances to the Drag Along Transferee on the Drag Along Date.

#### **11 Drag Along Right of First Partner**

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- 11.1 After the expiry of Option Period 2 and in the event the First Partner has not exercised its Second Call Option, if the First Partner proposes to sell its entire 10% shareholding in the Company to any Person (other than its Affiliates) and in the event such Person is not willing to purchase only First Partner's shareholding (which would be 10% of the total issued and paid up Share Capital of the Company), then the First Partner shall have a right ("**First Partner Drag Along Right**") to drag along up to 16% of total issued and paid up Share Capital of the Company as held by the Second Partner ("**First Partner Drag Shares**") provided that the proposed transferee is not a competitor of the Company and/or the Second Partner. It is clarified that the First Partner Drag Along Right will be applicable only (i) when the shareholding of the First Partner is 10% of the Share Capital of the Company; and (ii) if the proposed transferee is not willing to buy only 10% of the total paid up and issued Share Capital of the Company and confirms the same in writing. It is further clarified that the First Partner Drag Along Right shall be subject to the Right of First Refusal of the Second Partner.
- 11.2 The First Partner shall exercise its First Partner Drag Along Right by providing a written notice to the Second Partner ("**First Partner Drag Along Notice**") which shall state (i) the identity of the proposed transferee; (ii) price per share as offered by the proposed transferee to the First Partner and which is acceptable to the First Partner ("**First Partner Drag Along Price**"); (iii) details of any other terms that are material to such proposed Transfer.
- 11.3 In the event the First Partner issues the First Partner Drag Along Notice in Clause 11.2 above, the Second Partner shall have the obligation to, within a period of 30 (thirty) Business Days from the date of receipt of the First Partner Drag Along Notice by the Second Partner or such other longer period as may be agreed between it and the First Partner, subject to Applicable Laws, sell the First Partner Drag Shares to the proposed transferee at the First Partner Drag Along Price.
- 11.4 The Second Partner shall provide representation and warranty as to its legal and beneficial title to the First Partner Drag Shares and its ability to transfer the First Partner Drag Shares free of all Encumbrances to the proposed transferee pursuant to this Clause 11.

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First Partner



Second Partner.

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## **13 Accounting and Statutory Auditors**

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### **13.1 Accounting Books and Records**

13.1.1 The Company shall maintain proper accounting books and records in accordance with the Companies Act, rules framed thereunder and generally accepted principles applicable to it, and such books and records shall accurately reflect the Company's state of affairs and financial status.

13.1.2 The Company shall keep true and correct accounting records and books with regard to all of its operations and activities in accordance with generally accepted accounting principles, consistently applied.

### **13.2 Fiscal Year**

The Fiscal Year of the Company shall commence from April 1 every calendar year to March 31 of the immediately succeeding calendar year.

### **13.3 Statutory Auditors**

The Company shall appoint an independent firm of chartered accountants as the statutory auditors to audit the books of account of the Company. It is the intention of the Parties that such firm of accountants shall be qualified to act with compliance under Indian accounting systems, practices and methods and shall be conversant with and experienced in international accounting systems, practices and methods. The Second Partner shall be entitled to nominate the statutory auditor and such nomination shall be binding on the First Partner and the Company.

## **14 Warranties**

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14.1 Each Shareholder represents and warrants to the other Shareholders that:

14.1.1 It has the Authority and ability to enter into this Agreement and the obligations expressed to have been assumed by it in this Agreement constitute a legal, valid and binding obligations;

14.1.2 It has the necessary corporate power and Authority to enter into this Agreement and to perform and carry out the obligations hereunder;

14.1.3 The execution, delivery and performance of this Agreement and the consummation by it of the transactions contemplated hereby, do not require the consent, waiver, approval, license or Authority of any Person or public Authority and will not, with or without the giving of notice or the passage of time, conflict with, violate, result in a breach of or the acceleration of any obligation under or constitute a default under any provision of any charter, by-law, indenture, mortgage, lien, lease, agreement, contract, instrument, order, judgment, decree, ordinance or regulation, or any restriction to which any of its respective property is

  
First Partner

  
Second Partner.

subject or by which he is bound or affected, the effect of which would be material and adverse on this Agreement;

- 14.1.4 There is no action, suit or proceeding pending or, to its knowledge, threatened against or affecting it before any court or administrative body or arbitral tribunal that might materially adversely affect it to meet and carry out its obligations under this Agreement.

#### **15 Non-compete and Mutual Co-operation**

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- 15.1 During the term of this Agreement neither Shareholder shall engage, either directly or indirectly, in any activity or promote any firm, company or business or invest in any firm, company or business which is competing with the Business of the Company or is of the nature that will affect adversely the Business of the Company.
- 15.2 It is agreed that the First Partner and/or its Affiliates and the Company shall not sell Products specified in this Agreement in the People's Republic of China during the term of this Agreement, unless authorized in writing by the Second Partner.
- 15.3 It is agreed that after the Company acquires the qualification and requirement of Indian customers and commences commercial production, the Second Partner shall not sell Products specified in this Agreement in India during the term of this Agreement (except in the manner stipulated in **Appendix D**). It is agreed that the Second Partner shall be entitled to sell auxiliary, start up and stand by transformers which are part of a package of EPC Project in India (executed by EPC Contractor based in China or by the Second Partner), provided that such transformers or reactors are procured by the Second Partner from the Company/First Partner or its Affiliate. If the customers do not approve supply of such transformers or reactors from the Company/ First Partner or its Affiliate, then the Second Partner may supply the same out of its own facilities. The Second Partner shall make good faith efforts for getting the approval of the Company/First Partner or its Affiliate with the customer.
- 15.4 It is agreed that the First Partner shall not set up any facilities in India which manufactures the transformers or reactors above 220 kV rating.
- 15.5 The Parties agree that the Business of the Company shall be conducted in the manner provided in **Appendix D**.

#### **16 Indemnification**

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- 16.1 Without prejudice to any other provisions of this Agreement and/or any other rights of the Indemnified Persons (as defined herein), each Shareholder agrees to indemnify and hold the Company, the other Shareholder, the Directors of the Company and advisors (jointly, the "Indemnified Persons") harmless against and in respect of any and all actual and direct damages, losses, liabilities, obligations, costs and expenses (including reasonable attorneys' fees) that any one or more Indemnified Persons may suffer or incur arising out of or in connection with:

- 16.1.1 a breach of any of the warranties, covenants or agreements made or given by the indemnifying Shareholder(notwithstanding any investigations or verifications made by or on behalf of the Indemnified Persons); and
- 16.1.2 any and all actions, suits, proceedings, claims, demands, assessments, judgements, costs and expenses, including, legal fees and expenses, incidental to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing any such indemnity.
- 16.2 The indemnifying Shareholder shall reimburse the Indemnified Persons for all reasonable out-of-pocket expenses (including attorneys' fees and disbursements) as are incurred in connection with investigating, preparing to defend or defending any such action, suit, claim or proceeding (including any inquiry or investigation) whether or not the Indemnified Person is a party thereto. If an Indemnified Person makes a claim hereunder for payment or reimbursement of expenses, such expenses shall be paid or reimbursed promptly upon receipt of appropriate documentation relating thereto, even if the Indemnifying Person reserves the right to dispute whether this Agreement requires the payment or reimbursement of such expenses.
- 16.3 The Shareholder required to indemnify under the terms of this Agreement ("**Indemnifying Party**") shall, at the request of the Party entitled to be indemnified ("**Indemnified Party**"), participate in and control the defence of any suit, action or proceeding in relation to which the Indemnified Party may make a claim under this Agreement. In the event that the Indemnified Party requires the Indemnifying Party to take over defence of any suit, action or proceeding (collectively "**Claim**"), the Indemnifying Party shall have the right to take any action and institute any proceedings to dispute, resist, appeal, compromise, defend, remedy or mitigate the Claim, at its sole cost or expense. In the event that the Indemnifying Party fails to take appropriate action within 15 (fifteen) days from receiving notice of Claim from the Indemnified Party, the Indemnified Party shall have the right to defend itself against such Claim and shall thereafter be indemnified for the costs and expenses of such defence and the Claim by the Indemnifying Party. Even where the Indemnifying Party is conducting the defence of the Claim in accordance with this Clause, the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defence of the Claim if, in the Indemnified Party's reasonable judgment, a conflict of interest between the Indemnified Party and the Indemnifying Party exists with respect to such Claim, provided that where the Indemnifying Party is conducting the defence of the Claim in accordance with the above: (i) the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed), and (ii) the Indemnifying Party will not, without the prior written consent of the Indemnified Party (not to be unreasonably withheld, conditioned or delayed), consent to the entry of any judgment or enter into any settlement with respect to the Claim which involves any admission of liability on behalf of the Indemnified Party.

  
First Partner

  
Second Partner.

## 17 Force Majeure

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- 17.1 "Force Majeure" means any event or circumstance or a combination of events and circumstances referred to herein, which or any consequences of which materially and adversely affects the performance by either Party (the "Affected Party") of its obligations under this Agreement and which are beyond the reasonable control of the Affected Party and which event or circumstance could not by the exercise of ordinary prudence, reasonable skill and diligence as such including but not limited to:
- (i) Act of God, natural phenomena, including but not limited to storms, floods, droughts, earthquakes, lightning, cyclones and epidemics;
  - (ii) Blockade, revolution, riot or civil commotion;
  - (iii) Wars and hostilities (declared or undeclared) involving India or the state of Gujarat;
  - (iv) National or Regional strikes and lockout; and
  - (v) Change of laws.
- 17.2 Upon the occurrence of any such event of Force Majeure, the Affected Party shall, within 7 (seven) days of the occurrence of such an event of force majeure, notify to the non-affected Party (i) specifying the nature of the event; (ii) the effect of the event on the Affected Party's performance; and (iii) the estimated duration of the event.
- 17.3 The Affected Party shall notify the non-affected Party promptly (and in any case not later than three days) upon the cessation of the Force Majeure event.
- 17.4 In case the Force Majeure event continues for a consecutive period of more than 90 (ninety) days, the Parties shall be solely and exclusively authorized to mutually decide the future course of action.
- 17.5 Where such impossibility of performance is partial, the Parties shall not be relieved from the performance of that part which is not so rendered impossible.

## 18 Term and Termination

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- 18.1 This Agreement shall take effect on the Effective Date and shall remain in full force and effect until it is terminated in accordance with the provisions of this Clause 18.
- 18.2 This Agreement shall terminate, without prejudice to either rights or obligations which may have accrued to or in respect of any Shareholder under this Agreement:
- 18.2.1 With the mutual consent of the Shareholders;
  - 18.2.2 Upon the First Partner or the Second Partner ceasing to be a Shareholder (except where such cessation is by reason of Transfer of Shares to an Affiliate);
  - 18.2.3 By issuance of a termination notice by either of the Shareholders in the

  
First Partner

  
Second Partner.

event the other Shareholder or Company becomes insolvent, bankrupt, suspends or requests suspension of its debts, or has steps or proceedings taken against it to have it declared insolvent, reorganized or wound up, or is likely to suffer any of the aforesaid events;

18.2.4 If any Shareholder breaches or fails to observe any material term, covenant or agreement contained in this Agreement on its part to be performed or observed, which breach or failure, if capable of cure or remedy, has not been cured or remedied within 30 (thirty) days of the receipt of a notice from the other Shareholder.

18.3 In the event termination of this Agreement is triggered pursuant to Clause 18.2.4 above then the non-defaulting Party shall have an option to require the Defaulting Party to either:

18.3.1 pay a sum equivalent to 5% of the issued share capital of the Company to the non-defaulting Party and compensate the due loss of the non-defaulting Party; or

18.3.2 call upon the defaulting party to sell all the Shares held by the defaulting party to the non-defaulting Party at a price, subject to Applicable Laws, equal to Fair Market Value calculated in accordance with Clause 9.3C above.

Notwithstanding anything contained in this Agreement, it is agreed that during the Lock in Period, the First Partner shall not be entitled to exercise its right to acquire the Shares held by the Second Partner.

18.4 If the non-defaulting Shareholder does not elect to exercise the option under Clause 18.2.4, for any reason, this Agreement shall continue in full force and effect in accordance with its terms.

18.5 No transfer of the Shares by the defaulting party hereunder shall relieve the defaulting party of any of its liabilities and obligations to the Company or to the non-defaulting Party, which arise or accrue prior to the completion of such Transfer.

18.6 The termination shall not prejudice the right of any Shareholder against another Shareholder, which may have accrued prior to the date of termination or expiration.

18.7 On the termination of this Agreement the Shareholders shall refrain from any acts, indications, publicity or advertisements which may mislead any third party into the belief that the any Shareholder(s) hereto still maintain business relationships with each other with reference to the Company and one of the Shareholders hereto shall commit any act detrimental to the business or reputation of any other Shareholder.

## **19 Confidentiality**

### **19.1 Confidentiality**

19.1.1 Each Shareholder acknowledges that, pursuant to this Agreement it may

  
First Partner

  
Second Partner.

have access to certain information including the IPR and Proprietary Information of the other Shareholder and the Company, which is either confidential or proprietary in nature, whether received orally or in writing. All information including IPR and Proprietary Information given by any of the Shareholders ("Disclosing Shareholder") to the other ("Receiving Shareholder"), pursuant to and under this Agreement will be deemed to be confidential information no matter whether it is labelled or not as confidential information by the Disclosing Shareholder ("Confidential Information"). The Shareholders acknowledge and agree that all Confidential Information whether disclosed orally or in writing, is the property of the Disclosing Shareholder. The Receiving Shareholder shall neither disclose the Confidential Information to any third party nor use such Confidential Information for any purpose other than for the purpose of this Agreement, without prior written consent of the Disclosing Shareholder and the Receiving Shareholder shall use the same degree of care to avoid disclosure of the Confidential Information as it employs with respect to its own Proprietary Information of like importance.

19.1.2 The Company shall enter into and execute the Non-Disclosure Agreements with any third party to whom any such information may be required to be disclosed.

19.2 **Non-applicability of Consent Requirement**

The consent required under Clause 19.1.1 shall not apply to disclosure:

- a. to an Affiliate, consultant, contractor or subcontractor on a good faith and "need-to-know" basis;
- b. to potential third party purchaser of the shares of either Party, on a confidential basis; or
- c. to a governmental agency or entity, or to the public if the disclosing Party sincerely believes such disclosure is necessary under the relevant laws or regulations or pursuant to the standards of any stock exchange, having received advice from its legal counsel that such disclosure is necessary or strongly recommended pursuant to such standards or regulations.

19.3 **Notice Requirement**

In all such cases where disclosure is made in accordance with the provisions hereinabove, the Receiving Shareholder shall give written notice to the Disclosing Shareholder prior to making such disclosure. As to the disclosure referred to in Clause 19.2(a) and 19.2(b), only Confidential Information regarding which the third person has the legitimate need to know may be disclosed, and said third person shall first agree in writing to protect the confidential information so that it shall not be disclosed beyond the extent to which the Parties are obligated under these Articles.

19.4 **Summarization of information disclosed verbally**

The Disclosing Shareholder may disclose to the Receiving Shareholder the Confidential Information in written or other tangible form. If such information is disclosed verbally, the Disclosing Shareholder shall summarize such information in writing within 30 (thirty) days of disclosure of such information and shall mark such information with a proprietary notice.

**19.5 Non-applicability of Confidentiality**

Any information disclosed under this Agreement shall not be deemed to be confidential or proprietary and the Receiving Shareholder shall have no obligation with respect to any such information which:

- (a) was known to the Receiving Shareholder at the time it was submitted; or
- (b) is, or becomes, publicly known through no wrongful act of the Receiving Shareholder, or any Affiliate, agent or consultant or employee; or
- (c) is received by the Receiving Shareholder from a third person without similar restrictions and without breach of this Agreement; or
- (d) is approved for release by written authorization of the Disclosing Shareholder; or
- (e) is furnished by the Disclosing Shareholder to a third person without a similar restriction on the third person's rights.

**19.6 Duration of confidentiality**

The provisions of this Clause 19 shall apply throughout the term of this Agreement and for 3 (three) years following its termination, and if the Receiving Shareholder withdraws, is deemed withdrawn or transfers its Shares, the provisions shall continue to apply to the Receiving Shareholder for 3 (three) years after such event has occurred.

**20. Governing Laws, Jurisdiction, Dispute Resolution**

**20.1 Governing Laws**

This Agreement shall be governed by and construed in accordance with the Applicable Laws of India.

**20.2 Jurisdiction**

Subject to Clause 21 below, the competent Courts at Vadodara (Baroda), Gujarat shall have sole and exclusive Jurisdiction to try and entertain all the disputes arising between the Parties hereunder.

**21. Arbitration**

21.1 Any and all disputes or controversies arising out of or in connection with



the interpretation, performance or non-performance, or termination of this Agreement, or relating to the management of the Company, shall, to the extent possible, be settled in the first instance by prompt and good faith negotiations between the Chairman or its authorized representative of the respective Shareholder who shall, in resolving the disputes, have primary regard to the interest of the Company. The Shareholders agree that if a dispute cannot be resolved by mutual consent the following resolution procedure shall be used to settle the matter.

- 21.2 Subject to provisions of Clause 21.1 above, if the dispute cannot be settled within 60 (sixty) days by mutual discussions, such dispute shall be finally settled by arbitration in accordance with the international arbitration rules of the Singapore International Arbitration Centre then in effect ("**SIAC Rules**"), which Rules are deemed to be incorporated by reference into this Clause.
- 21.3 The number of arbitrators shall be 3(three), of whom each of the disputing Party shall appoint 1 (one) arbitrator each and then the third arbitrator ("**Presiding Arbitrator**") shall be appointed by the 2 (two) arbitrators so appointed, provided that if these 2 (two) arbitrators are unable to agree on the nomination of the Presiding Arbitrator within 20 (twenty) days of their appointment, the Presiding Arbitrator shall be appointed in accordance with the SIAC Rules.
- 21.4 Any arbitral award shall be final and binding on the Parties, including the non-disputing Party. The venue of the arbitration shall be Singapore.
- 21.5 The language of the arbitration proceedings shall be in English. The Parties hereby expressly agree that Part I of the Indian Arbitration and Conciliation Act 1996 shall not be applicable to any arbitration proceeding.
- 21.6 The Parties agree that the Singapore International Arbitration Centre shall be the only body entitled to grant any interim measures, injunctive relief or such similar measures.
- 21.7 The provisions of this Clause 21 shall survive any termination of this Agreement.
- 21.8 During the pendency of any arbitration, each Shareholder shall continue to perform its obligations hereunder and no Shareholder shall exercise any remedies hereunder arising by virtue of the matters in dispute.

## **22. Miscellaneous**

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### **22.1 Implementation**

Each Party undertakes to perform and carry out its respective obligations under this Agreement in good faith, for implementation of the joint venture envisaged in this Agreement and to perform and observe the provisions of this Agreement in letter and spirit.

### **22.2 No outstanding commitments**

  
First Partner

  
Second Partner.

Each Party warrants and represents to the other Party that it has no outstanding commitments or obligations, contractual or otherwise, which would in any way impede its ability and right to enter into this Agreement and/or fulfill any and all of its obligations hereunder, or which would in any way impede the ability or right to enter into the agreements referred to herein and/or fulfill any and all of its obligations under this Agreement and other agreements referred to herein and that all necessary corporate approvals required in order to enter into this Agreement and carry out the respective obligations hereunder have been obtained or will be obtained.

### 22.3 Exercise of votes

The Shareholders jointly and severally undertake to ensure that they, their representatives, proxies and agents representing them at the General Meeting and their respective nominee directors on the Board at meetings thereof and all committees thereof and including with regard to resolution by circulation, shall at all times exercise their votes and otherwise, act in such manner so as to ensure, procure and comply with and to fully and effectually implement, the spirit, intent and specific provisions of this Agreement.

### 22.4 Notices

- 22.4.1 Any notice or other communication under or in connection with this Agreement shall be in writing in the English language and shall be delivered personally or sent by courier or by fax or electronic mail, to the Party due to receive the notice at the following address, or such other address the recipient Party may specify by notice in writing to the other:

#### In the case of Notices to FIRST PARTNER:

Attention: Mr. Krupesh N. Patel

Address: Gujarat Spun Pipe Compound,  
At and Post Samiala,  
District Vadodara  
Gujarat India

E-mail: krupesh54@yahoo.com

#### With a copy to:

Attention: Mr. Niral Patel

Address: Gujarat Spun Pipe Compound,  
At and Post Samiala,  
District Vadodara  
Gujarat, India

E-mail: niral@amodstamp.com

#### In the case of Notices to the SECOND PARTNER:

  
First Partner

  
Second Partner.

*Attention: Ms. Liu Shujuan*

*Address: No. 2222 Tianwei West Rd.,  
Baoding, People's Republic of China*

*E-mail: lsj@btw.cn*

*With a copy to:*

*Attention: Mr. Zhou Aidong*

*Address: No. 2222 Tianwei West Rd.,  
Baoding, People's Republic of China*

*E-mail: zhouaidong@btw.cn*

*In the case of Notices to the Company:*

*Attention: Mr. Zhou Aidong*

*Address: No. 2222 Tianwei West Rd.,  
Baoding, People's Republic of China*

*E-mail: zhouaidong@btw.cn*

*With a copy to:*

*Attention: Mr. Niral Patel*

*Address: Gujarat Spun Pipe Compound,  
At and Post Samiala,  
District Vadodara  
Gujarat, India*

*E-mail: niral@amodstamp.com*

22.4.2 In the absence of evidence of earlier receipt, any notice or other communications shall be deemed to have been duly given:

- a) if delivered personally, when left at the address referred to in Clause 22.4.1 above;
- b) if sent by courier upon receipt; and
- c) if sent by fax, when confirmation of its transmission has been recorded on the sender's fax copy.

## 22.5 Announcement

Neither Party shall make or attempt to make, nor shall the Party permit any of its respective directors, employees, officers, or Affiliates to make, any public announcement about the subject matter of this Agreement or the terms and conditions recorded hereunder or any of its business and

operating plans from time to time, whether in the form of a press release or otherwise, without first consulting and obtaining the written consent of the other party, save as required by either Party under the provisions of any laws, rules or statutory provisions.

**22.6 Costs and Expenses**

Except as agreed to the contrary by the Company in writing, each Party shall pay its own costs and expenses in relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of the Agreement and any other documents which may be executed hereinafter. The stamp duty payable on this Agreement will be borne by the First Partner.

**22.7 Variation**

No term or provision of this Agreement shall be varied, amended, altered or modified by any prior or subsequent statement, conduct or act of any Party, except that hereafter the Parties may amend, alter, modify or vary this deed only by letter or written instrument under their respective seal, executed by all the Parties.

**22.8 Entire Agreement**

This Agreement sets out the entire Agreement and understanding between the Parties in connection with the subject matter of this Agreement and merges in it all prior discussions and negotiations between them and none of the Parties shall be bound by any conditions, warranties, understandings or representations with respect to such subject matter other than those expressly provided herein or duly set forth on or subsequent to the date hereof in writing and signed by a proper and duly authorized officer of the Party to be bound thereby.

**22.9 Further Acts**

Each of the Parties undertake to execute, do and take all such necessary steps as may be in their respective powers to execute, do and take or procure to be executed, taken or done and to execute all such further documents, agreements and deeds and do all further acts, deeds, matters and things as may be required to give effect to the provisions of this Agreement.

**22.10 Assignment**

This Agreement is specifically for the Parties and as they being Shareholders of the Company, none of them shall assign their respective rights, benefits, advantage, privileges and obligations hereunder, except as otherwise, expressly provided herein or agreed in writing by the Parties and save and except where such assignment in favor of an Affiliate.

**22.11 Counterpart**

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First Partner



Second Partner.

This Agreement may be entered into in any number of counterparts and by the Parties to it on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

**22.12 Partial Invalidity of the Agreement/Severance of the Agreement**

If, at any time, any term or provision in this Agreement are held to be illegal, invalid or unenforceable, in whole or in part, under any rule of law or enactment including any law or enactment of the People's Republic of China, or decision or order of any Indian/Chinese Court, Tribunal or any other Authority, such term or provision or part shall to that extent be deemed not to form part of this Agreement, but the enforceability of the remainder of this Agreement shall not be affected.

**22.13 No Partnership**

Nothing contained in this Agreement shall constitute a Partnership or Association of Persons and neither Party shall represent itself out as an agent for the other, except with the express prior written consent of the other party.

**22.14 Time**

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

**22.15 Independent Right**

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

**22.16 Waiver**

Waiver by either Party, as the case may be of any event of breach and / or default, by the other in the performance of any of the provisions of this Agreement:

- (i) Shall not operate or be construed as a waiver of any other breach and / or default; or
- (ii) Shall not be effective unless duly executed in writing by a duly authorized representative of the non-defaulting Party

Neither the failure by either Party, as the case may be, to insist on any occasion upon the performance of the terms and conditions of this Agreement nor time or other indulgence granted by either Party as the case may be to the other, shall operate as a waiver of such breach or acceptance of any variation or the relinquishment of any other rights

hereunder, which shall remain in full force and effect.

**22.17 Successors and Assigns:**

Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors of the Parties. Subject to the foregoing, nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Shareholders or their respective successors any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The Shareholders shall not without prior consent of the other Shareholders assign the rights accruing to it under this Agreement to any third party.

**22.18 Reservation of Rights:**

No forbearance, indulgence or relaxation or inaction by any Shareholder at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Shareholder to require performance of that provision, nor the same shall operate as a waiver of such right, privilege or remedy or as a waiver of any preceding or succeeding breach by the other party to this Agreement nor shall any single or partial exercise of any right, privilege or remedy preclude any other or further exercise of such or any other right, privilege or remedy provided in this Agreement, or otherwise available to a Shareholder at law or in equity.

**22.19 Survival Provisions.**

The provisions of Clause 14(*Warranties*), Clause 15(*Non-Compete and Mutual Co-operation*), Clause 16 (*Indemnification*), Clause 18 (*Termination*), Clause 19(*Confidentiality*), Clause 21(*Arbitration*) and Clause 22(*Miscellaneous*) shall survive the termination of this Agreement, in each case to the extent of the time period provided in each such Clause.

**22.20 Shareholders Group:**

If either of the Shareholders transfer part of its Shares to any of their Affiliates or additional Shares are issued to any of their Affiliates in accordance with the provisions of this Agreement:

- a) the Shareholder, and/or its Affiliates (collectively, the "**Shareholder Group**") shall be treated as a single Shareholder, their shareholding shall be aggregated and their rights, obligations, covenants and undertakings hereunder shall be joint and several, and a breach by any one person in the Shareholder Group of its rights, obligations, covenants or undertakings hereunder shall be deemed as a collective breach by the other members of the Shareholder Group of their respective rights, obligations, covenants or undertakings hereunder;
- b) the Shareholder Group shall nominate one person within the Shareholder Group who shall (i) act for and on behalf of each member of the Shareholder Group under this Agreement in respect of

  
First Partner

  
Second Partner.

any right, action or waiver to be exercised by any member of the Shareholder Group (including the nomination, replacement or removal of Directors) and (ii) be responsible for causing each of the members of the Shareholder Group to perform its obligations, covenants and undertakings hereunder.

  
First Partner

  
Second Partner.

IN WITNESS WHEREOF, the Parties have hereunto set and subscribed their respective hands and seal to this Agreement on the date first above written.

SIGNED AND DELIVERED by the within named FIRST PARTNER, ATLANTA ELECTRICALS PVT LTD by its authorized signatory Mr. Niral Patel, who has been duly authorized pursuant to resolution passed in the meeting of the Board of Directors held on 17<sup>th</sup> Aug., 2015,  
Signature

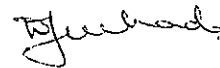


in the presence of:

1. Mr. RAJESH K SHAM  
Address: 3, PANCHVATI SOCIETY  
MANJALPUR  
VADODARA - 4



2. Mrs. Darshana J. Marhad  
Address: A/S, Vaibhav Apartments  
No. Natarajai Centre  
Race Course, Vadodara



SIGNED AND DELIVERED by the within named SECOND PARTNER, BAODING TIANWEI BAOBIAN ELECTRIC CO., LTD. by Mr. Zhou Aidong, who has been duly authorized by the pursuant to the official letter of authorization of the Second Partner.

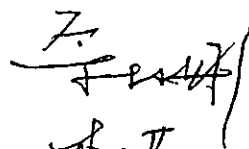
Signature

ZHOU AIDONG

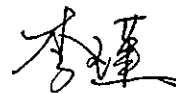


in the presence of:

1. Name: LONG LIN TONG  
Address: 3rd floor, Shrijee Complex. Opp.  
Taksh Complex, Next to SBI, Above HFC  
Bank, Vasna Rd. Vadodara - 15 Gujarat  
India.



2. Name: LI JIN  
Address: 3rd floor, Shrijee Complex. Opp.  
Taksh Complex. Vasna Rd.  
Vadodara - 15. Gujarat. India.

  
First Partner  
Second Partner.



SIGNED AND DELIVERED by the within  
named COMPANY, BTW-ATLANTA  
TRANSFORMERS INDIA PRIVATE LIMITED  
by its authorized signatory Mr. Jiao Zihe, who  
has been duly authorized pursuant to resolution  
passed in the meeting of the Board of Directors  
held on 17<sup>th</sup> Aug., 2015,

Signature

JIAO ZIHE

in the presence of:

1. [•] LI XIANG MIN

Address: 3rd floor Shrijee Complex.  
Opp. Taksh. Complex. Next to SBI.  
Above HDFC Bank, Vasna Rd. Vadodara-15

2. [•] LI YUAN

Address:

3rd floor Shrijee. Complex.

Vasna Rd. Vadodara. Gujarat India.

## Appendix – A

### The Particulars of Company as on the Effective Date

1.	Name	BTW-ATLANTA TRANSFORMERS INDIA PRIVATE LIMITED
2.	Place of incorporation	Vadodara, Gujarat, India
3.	Address of registered office	Block no. 440, Gujarat Spun Pipe Compound, At and Post Samiala Tal, District Vadodara – 391 410, Gujarat
4.	Type of company	Private Limited Company
5.	Authorised Share Capital	INR 2,250,000,000 divided into 225.00 Million Equity Shares of par value of INR 10 each
6.	Issued Share Capital	<p>INR 450,000,000 divided into 45,000,000 Shares of INR 10 each of which</p> <ul style="list-style-type: none"> <li>• 220,500,000 Equity Shares of INR 10 each issued for cash at par to the First Partner</li> <li>• 229,500,000 Equity Shares of INR 10 each issued for cash at par to the Second Partner</li> </ul>
7.	Directors	<p>FIRST PARTNER Nominee: Mr. Niraj Patel</p> <p>SECOND PARTNER Nominee:</p> <p>Mr. Zhou Aidong;</p> <p>Mr. Wu Jianhui</p> <p>Mr. Jiao Zihe</p> <p>Mr. Feng Chao</p>
8.	Financial Year	Financial Year ending on 31 <sup>st</sup> March
9.	Statutory Auditors	K.C. Mehta & Company

  
First Partner

  
Second Partner.

## Appendix – B

### Deed of Adherence

This Deed of Adherence is made this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ by

[Name of the Affiliate], a company incorporated and subsisting under the laws of [country] and having its registered office at [address] (the "**Covenanter**") in favour of:

**ATLANTA ELECTRICALS PRIVATE LIMITED**, a Company incorporated and existing under the Indian Companies Act, 1956, having its registered office at A 6, Avani Park, Nr. Rajesh Tower, Gotri Road, Vadodara, Gujarat, India (hereinafter referred to as the "**First Partner**", which expression shall, unless it be repugnant to the subject, meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns) of the **FIRST PART**;

**AND**

**BAODING TIANWEI BAOBIAN ELECTRIC CO., LTD.**, a Company incorporated and existing under the laws of the People's Republic of China, having its principal office at No. 2222 Tianwei West Road, Baoding, China (hereinafter referred to as the "**Second Partner**", which expression shall, unless it be repugnant to the subject, meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns) of the **SECOND PART**;

**AND**


**BTW-ATLANTA TRANSFORMERS INDIA PRIVATE LIMITED**, a Company incorporated and existing under the Indian Companies Act, 1956, having its registered office at Block no. 440, Gujarat Spun Pipe Compound, at and post Samiala Tal, Vadodara, Gujarat – 391 410 (hereinafter referred to as the "**Company**", which expression shall, unless it be repugnant to the subject, meaning or context thereof, be deemed to mean and include its successors-in-interest and permitted assigns) of the **THIRD PART**;

### WHEREAS:

- A. The First Partner, the Second Partner and the Company have entered into a Joint Venture Agreement dated [•] as amended, modified and supplemented from time to time (the "**JV Agreement**");
- B. The Covenanter is an Affiliate of [First Partner / Second Partner] and has been nominated by [First Partner / Second Partner] to subscribe to and/or acquire [ ] shares in the Company;
- C. [First Partner / Second Partner] has agreed to the Covenanter subscribing to and/or acquiring the shares in the Company subject to the condition that the Covenanter executes this Deed of Adherence.

NOW, therefore, in consideration of the premises and covenants, this Deed of Adherence witnesses as follows:

  
First Partner

  
Second Partner.

1. The Covenanter confirms that it has been supplied with a copy of the JV Agreement and that it has read and understood the provisions, terms and conditions of the JV Agreement. The Covenanter hereby covenants with and undertakes to First Partner, Second Partner and the Company that with effect from the date when the Covenanter is registered in the Register of Members of the Company in accordance with the JV Agreement and the Articles of Association of the Company, the Covenanter will abide by, observe, perform and be bound by all of the provisions, obligations, covenants and undertakings set forth in the JV Agreement and applicable to an Affiliate of a Shareholder who acquires or holds shares in the Company. The Covenanter agrees and undertakes that it will not claim or assert any rights in respect of the shares registered held in its name, independent of the rights and privileges of the Shareholder of which it is an Affiliate.
2. In the event at any time hereafter the Covenanter intends to cease to be an Affiliate of the transferring Shareholder, the Covenanter shall transfer, prior to the Covenanter ceasing to be an Affiliate of such Shareholder, all the shares held by the Covenanter in the Company, to the Party of which the Covenanter is an Affiliate or to another Affiliate of that Party nominated by that Party.
3. Words and expressions used in this Deed of Adherence and not defined in this Deed of Adherence but defined in the JV Agreement shall have, where the context so permits, the meaning assigned to it in the JV Agreement.
4. This Deed of Adherence shall be governed by and construed in accordance with the laws of India and the courts of Vadodara alone shall have exclusive jurisdiction.

Executed as a Deed on the day and month first above written.

Signed by within named Covenanter,  
[Name of the Covenanter] by its  
Director, [Mr. \_\_\_\_\_]  
who has been duly authorised  
pursuant to resolutions passed in  
the meeting of Board of Directors  
held on \_\_\_\_\_.

for [Name of the Covenanter]

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

  
First Partner

  
Second Partner.

**Appendix – C**  
**(Description of land)**

ALL THAT piece and parcel of the Land admeasuring 84,025 sq. mtrs bearing Survey Nos. 192, 193, 194, 195, 196, 197, 198, 199, and 209 situate at Village Ankhi, Taluka -Jambusar, Registration District and Sub-District Bharuch, Gujarat and bounded as under:

On or Towards the East: By Revenue survey Nos. 191,190,200 and 202.

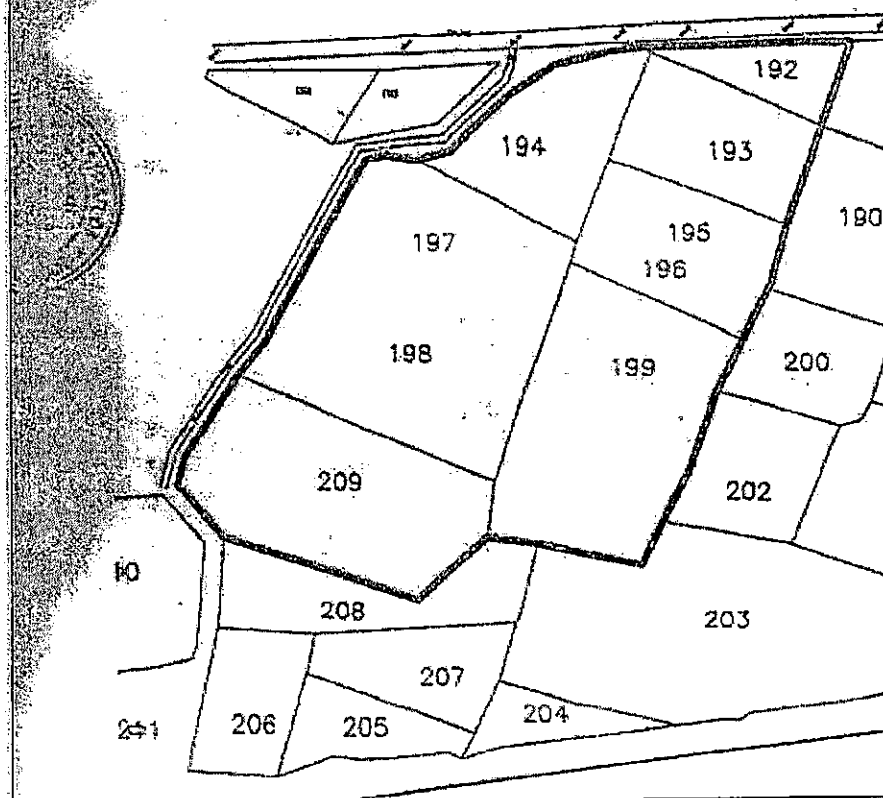
### On or Towards the West: By Nalia Road

On or Towards the North: By Padra Jambusar State Highway

### On or Towards the South: By Revenue Survey Numbers 208 and 203

The properties being Agricultural Lands bearing

- (1) Block No. 192/1 admeasuring 0-02-25 Hectare Area (225 SqMtr),  
(2) Block No. 192/3 admeasuring 0-30-66 Hectare Area (3066 SqMtr)  
(3) Block No. 193 admeasuring 0-84-98 Hectare Area (8498 SqMtr),  
(4) Block No. 194 admeasuring 0-79-92 Hectare Area (8296 SqMtr),  
(5) Block No. 195 admeasuring 0-39-46 Hectare Area (3946 SqMtr),  
(6) Block No. 196 admeasuring 0-39-45 Hectare Area (3945 SqMtr),  
(7) Block No. 197 admeasuring 0-96-11 Hectare Area (9611 SqMtr),  
(8) Block No. 198 admeasuring 0-94-09 Hectare Area (9409 SqMtr),  
(9) Block No. 199 admeasuring 1-80-09 Hectare Area (18009 SqMtr),  
(10) Block No. 209 admeasuring 1-90-20 Hectare Area (19020 SqMtr)  
totally admeasuring 84025 SqMtr of Mouje Village Ankhi, Taluka- Jambusar,  
District - Bharuch, and which are individually bounded in RED Color as under :-



**Appendix - D**  
**Manner of conducting business of the Company**

The Business shall be conducted in accordance with, (a) to the extent possible, the business plan as mutually agreed between the Parties from time to time; and (b) in accordance with the provisions of this Agreement and the Articles of Association. The Parties acknowledge that the business plan as mutually agreed between the Parties shall be an indicative plan and shall not be mandatorily binding on the Parties.

**Stage 1**

This stage describes the manner of conducting business of the Company after Share subscription but before the commercial production in the manufacturing plant to be set up has commenced in respect of one or more Products ("**Plant Set Up**")

- the Second Partner and the Company shall form a joint team for promoting the Business of the Company in India;
- the Company shall provide necessary support to the Second Partner for its activities in India;
- the Second Partner shall make all efforts for promotion of the Company and for that purpose will include the Company's reference in its web-sites, in its sales / marketing brochures and materials make joint calls to the customers, do joint exhibitions, etc.;
- Sales team in India shall be set up in the Company for business of the Company; joint efforts will be made by the Company sales team and the Second Partner sales team for promoting sales in India. However sales team of the Company shall be under the guidance of the Second Partner sales team, and maintain close contact with the Second Partner sales team. For major promotional activities, the Company and the Second Partner should mutually negotiate and decide.
- any contracts or agreements or undertake any obligation in India or outside which require the Company to undertake any financial or non-financial obligation or supply any material or services, guarantees or warranties, signed by Second Partner, it shall be liable to inform the CEO of Company, and the CEO of Company shall be liable to report in the Board Meetings.

**Stage 2**  
**After Plant Set up**

This stage describes the manner of conducting business of the Company after Plant Set Up. If the commercial production has commenced in respect of only some of the Products, then it shall apply to the extent of such Products for which the commercial production has already commenced and it shall apply to other Products as and when its commercial production commences.

- The Second Partner shall make all efforts to assist the Company to obtain approvals, registrations, Pre-qualification Requirements, etc.;
- After the Plant Set Up, for 220kV-400kV range transformers and reactors, when the Company passes the assessment from the Second Partner

  
First Partner

  
Second Partner.

(which shall not be unreasonable with-held) regarding its design, manufacture, testing and quality assurance capability etc, and the Company is qualified by Indian customers, the Company shall have priority in supplying products in India in respect of Transformers and Reactors of such range. In case, the Company is not qualified or is not capable of meeting the requirement of the customer or is not interested in bidding for a contract, it is the Company's obligation to forward such enquiry to both Partners and in such case the First Partner will be entitled to bid for 220 kV jobs and Second Partner will be entitled to 220 kV and 400 kV jobs. It is clarified that it shall be responsibility of the Second Partner to make the manufacturing facilities satisfy the requirements to pass the assessments as required under this clause;

- For Transformers and Reactors from 400-765kV range, till such time the customers approve the facility of the Company to supply the Transformers and Reactors, the Second Partner shall determine the allocation of the jobs to the Company, with an intention to transfer maximum possible jobs to the Company. For jobs executed for the Second Partner, if approved by customer, the Company shall make direct invoicing to the customers;
- After the approval of the customers is received for transformers and reactors from 400kV-765kVRange, and subject to the Second Partner's assessment regarding the design, manufacture, testing and quality assurance capability, and production capacity of the Company, for Indian Customers, the Second Partner shall give the Company priority to bid. It is clarified that it shall be responsibility of the Second Partner to make the manufacturing facilities satisfy the requirements to pass the assessments as required under this clause;
- The Company shall support the Second Partner in India for bidding and coordinating the efforts in India;
- To the extent possible the Second Partner shall get the orders of customers from India manufactured in the manufacturing facility of the Company;
- If manufacture of whole job is not possible at the Company, part of production capable with the Company can be arranged to be manufactured in the Company;
- To the extent permissible, local services of installation, testing, repairs and maintenance would be outsourced to the Company, provided that the customers approve the facilities of the Company and the prices of the Company are not higher than market prices;
- The Second Partner shall exclusively procure products or services from India from the Company, if the Company is approved by customers and the prices of the Company are not higher than market prices.

#### **International Business**

- For international business, the Company shall be deemed as a manufacture base of the Second Partner, and included as part of the Second Partner's globalization strategy, subject to the Second Partner's comprehensive consideration and arrangement, on case by case basis, priority will be given to the Company to bid for projects in countries near to India, provided the same are cost effective and qualification and experience of the Company are deemed sufficient after the Second Partner's evaluation;

  
First Partner

  
Second Partner.

- In case the Company obtains project information through its own sources, it shall forward such information to the Second Partner for the Second Partner's comprehensive arrangement and decision about bidding strategy and bidding party.

  
First Partner

  
Second Partner.



**Appendix - E**  
**Terms and Conditions of Technology Transfer License Agreement**

**1. Scope of Technology Licensing**

The scope of Technology Licensing from the Second Partner to the Company shall include all types of AC power transformers and reactors of voltage classes at 220kV to 765kV.

**2. License Fee**

The Technology Licensing is paid use, which the royalty fees should be charged based on the annual gross ex-factory sales net of all taxes, duties, cess and other charges, including installation and commissioning charges. The detailed rates of Royalty areas below:

Sl.No.	Voltage Level	1st to 5th year	6th year and after
1	220kV	0.5%	0.2%
2	400kV	1.0%	0.5%
3	750kV	1.5%	1.0%

**3. Technical Documentation**

The Second Partner will transfer the necessary technical documents and software list to the Company according to the needs of bidding, marketing, production, installation and maintenance. The technical documents shall include the, design, manufacture, inspection and testing procedure. The detailed contents of the documents will be specified in TALA.

**4. Ownership Limitation and Confidentiality**

4.1 The Second Partner is the legal owner of Technology. Subject to the Second Partner reserves the rights for all the intellectual property.

4.2 It is only allowed the employee of the Company to use the Technology, and shall not use for other purposes. The Company shall be only allowed to use the Technology for manufacturing the products specified within the scope of Technology Licensing, and not allowed to beyond the scope. The Company shall not infringe on the rights of the Second Partner in any form.

4.3 The Company and First Partner are not allowed to disclose any technical information to any third party. The confidentiality period is from the Effective Date of this TALA till 5 years after the expiration of TALA.

5. The Second Partner awards exclusive license to the Company for Technology Licensing within the effective period of TALA. The licensee accepts and agrees to compliance with the TALA.

6. The validity of the TALA is consistent with the JVA.

  
First Partner

  
Second Partner.

## Appendix – F Reserved Matters

For the purpose of clarification it is specified that no General or Board Reserved Matter item shall be passed at any meeting, whether Board or General, without the affirmative vote of (i) at least 1 (one) First Partner Director and 1 (one) Second Partner Director, if taken up at a Board meeting; and (ii) the representatives of the First Partner and the Second Partner, if taken up at a General Meeting.

### Board Meeting Reserve Matters:

1. Any proposal for borrowing by the Company, or any guaranteeing, mortgage, pledge or lien in connection with that borrowing, where the amount of borrowing in aggregate exceeds INR 500 million in a financial year;
2. Any proposal for disinvestment or sale, transfer or otherwise disposal of asset other than those used in normal trading/manufacturing activities of the Company, with the value exceeding INR 15,000,000 (Fifteen Million only);
3. Any proposal for entering into any contract for receiving technical know - how or technical assistance from, or providing technical knowhow or technical assistance to third parties; Third parties in this Appendix shall mean any other party except for the Second Partner and First Partner; Any alteration of the terms and conditions of the Technology License and Assistance Agreement between the Company and the Second Partner, including termination thereof;
4. Entering into any contract between the Company and any of the Parties or its Affiliates or related parties, or any variation of such contracts which amount is beyond INR 200,000,000 (Indian Rupees Two Hundred Million only), for sale, purchase or supply of goods, materials, produces or services during the period of construction. Entering into any contract between the Company and any of the Parties or its Affiliates or related parties in the normal course of business shall be passed at the board by the way of ordinary resolution after the investigation of the fairness of the contractual price. Entering into any long term contract (above one year) between the Company and any of the Parties or its Affiliates or related parties shall be passed at the general meeting of shareholders by the way of unanimous resolution;
5. The Company entering into any other contract or arrangement, whether written or oral, which imposes non-compete or exclusivity obligations on the Company or any loan to any third party;
6. Any sale, transfer, grant of license, or other user arrangement in relation to brand-names or trademarks or any other intellectual property, if any, used by the Company or the subsidiaries.

### General Meeting Reserve Matters:

1. Any proposal for undertaking any new lines of business by the Company, where a new line of business shall mean a business, which is not germane (connected) to the existing business of the company;

2. Any proposal for investing in other companies or participation in incorporation or subscription of share capital or debentures of any other company or subsidiary of the Company or any other joint venture company; Any proposal for amalgamation, demerger or corporate restructuring of the Company with any other company or body corporate;

3. Any proposal for increasing or reducing or altering or restructuring the authorized, issued, subscribed and paid up share capital of the Company or any proposal for issue or allotment or redemption or buy-back of shares or securities or warrants by the Company or making any capital call. In the case that the increase of registered capital does not alter the proportion of shareholding, an ordinary resolution passed at the board will be sufficient;

4. Any proposal for amendment of the Memorandum and Articles of Association or Certificate of Incorporation of the Company;

5. Any proposal for increasing or reducing the number of Directors or appointment or removal of Directors or filling up any casual vacancy in the office of Directors otherwise than as provided for in this Agreement. The Parties have an absolute right as for the appointment or removal of Directors or filling up any casual vacancy in the office of Directors on their own sides;

6. Any proposal for winding up or liquidation of the Company.

  
First Partner

  
Second Partner.

Appendix G  
Deadlock Provisions

1. In case of any Board Deadlock or Shareholder Deadlock (both a "Deadlock") arising, each Shareholder may, within 3(three) calendar days of such Deadlock having arisen, serve a written notice ("Deadlock Resolution Notice") to the other Party that in its opinion there is a Deadlock and identifying the matter over which such Deadlock has arisen.
2. The [Chairman] of the First Partner and the [Chairman] of the Second Partner, shall within a period of 1 (one) month after receipt of the Deadlock Resolution Notice by the respective Party try to resolve the Deadlock by using all reasonable endeavours in good faith to resolve the dispute. In case the Deadlock cannot be resolved within said 1 (one) months period and if either of [Chairman] of the First Partner and the [Chairman] of the Second Partner, in its respective sole discretion, considers the matter to be materially affecting the Business of the Company, then these two persons shall again try to resolve the matter after a period of 1(one) month counted from the expiry of the initial 1 (one) months period for resolution and if the same is not resolved within the said period of 1 (one) months then the First Partner and the Second Partner may exercise their rights by immediately issuing a notice under paragraph 3 below.
3. In the event the Deadlock cannot be resolved even though the procedure under paragraphs 1 and 2 above has been adhered to, then the Parties may either maintain status-quo with respect to the Deadlock matter or may invoke the dispute resolution provision of Clause 21 of the Agreement.

  
First Partner

  
Second Partner.