

KareKeBa Ventures LLP (KKB) Investor-Members' Terms and Conditions

As a present/future member of the KareKeBa Ventures LLP's investor cohort (referred to below as 'member' or 'member of KKB'), I submit that-

1. An individual wishing to become a Member of KKB will first fill in an online application form, which constitutes the demand for registration. KKB Board reserves the right to accept or decline applications. The decision to accept or reject application for registration is discretion of KKB Board and there will not be any recourse for opposition or appeal available to the Applicant.
2. I understand that KKB is not a venture fund, investment bank, broker/dealer, investment clearinghouse, investment portal, or any other form of an investment advisor or otherwise, and is not registered with any securities board/commission. KKB does not provide advice, recommendation, or any other indication of appropriateness or inappropriateness for a particular investment. KKB does not endorse any investment opportunity and makes no independent investigation to verify information provided by companies submitting to KKB for presentation or otherwise, and makes no representation or warranty regarding the same. The purpose of KKB is to provide Members with exposure to investment opportunities in private companies in the KKB database, and to facilitate the active interchange of information and ideas regarding formation, development, mentoring and financial structuring of private companies with connections to KKB.
3. I must conduct my own analysis and due diligence to determine the appropriateness of any investment I make in any company to which I am introduced through KKB. As a result, I recognize and agree that neither KKB nor its representatives or agents are responsible or liable for any investment decision I make as a result of being a member of KKB. The choice to use and the manner of utilization of information and knowledge gained through KKB is my individual and personal choice. I have such knowledge and experience in financial and business matters to be capable of evaluating the relative merits and risks of any investment.
4. I understand that any purchase of equity or other investment transaction shall be with the respective company, without the involvement of, or participation by KKB.
5. I understand that KKB meetings are not an offer to sell or solicitation to buy any security by KKB or any other entity.
6. Membership Fee: I agree to pay (i) Rs. 5,000/- (Rupees Five Thousand Only) as the annual membership dues payable to KKB. I hereby agree that annual membership dues are subject to revision at the sole discretion of KKB Board. The fee may be waived at the sole discretion of KKB for the members of other angel networks with which KKB has MoUs or participative arrangements.

7. Code of Conduct:

- (i) I will always conduct myself in a professional manner.
- (ii) I will respect the privacy of other members and will not provide their names to any third party without their permission.
- (iii) I will keep membership information confidential.
- (iv) I will disclose to the group any relationship I have or may have with a presenting company, including any personal gain I may receive from the company.

8. Membership and Conduct Guidelines:

- (i) Membership in KareKeBa Ventures LLP ("**KKB**") is a privilege that is extended on a periodic basis to individual accredited investors ("**Members**"), and is subject to periodic renewal, nonrenewal, revocation, termination or suspension by the Board of Directors hereafter "**Board**"
- (ii) As a condition precedent to grant, renewal or continuation of Membership, it shall be conclusively presumed that a Member has expressly agreed to abide by the KKB Membership and Conduct Guidelines, as they may be modified from time to time by the Board, and to have expressly acknowledged that Membership may be revoked, terminated, suspended, or not renewed by the Board upon the failure of the Member to do so. After any change in the Membership and Conduct Guidelines, each Member must either accept and agree to the amended Membership and Conduct Guidelines or withdraw from KKB. Members will be required to execute a membership agreement prior to becoming a member. In the event the membership agreement is amended by the Board, all members will be required to execute a revised membership agreement or amendment.
- (iii) The purpose of Membership is to provide the Members exposure to investment opportunities in early stage companies located, or doing business, in the region, including specific investment opportunities presented by other Members, and to provide forums for education and active interchange of information and ideas, regarding the formation, development and financial structuring of early stage companies. The prospective investment opportunities are neither offered by nor endorsed by KKB.
- (iv) Members must actively participate in the KKB process to share in the benefits of KKB programs, and to make their participation beneficial to other Members. Members are expected to make significant contribution to the operation of KKB. This may include actively participating in pitching sessions, due diligence, leading an investment opportunity, identifying investment opportunities, and serving on the board of directors or board of advisors of portfolio companies. Members must disclose any relationship with a presenting company.
- (v) Decisions regarding approval or denial of membership to any applicant shall be

governed by the Board. All decisions are final and not subject to appeal.

- (vi) Membership does not create any rights for a Member to participate in any particular investment opportunity that may be the subject of a presentation or other meetings. KKB has no authority or responsibility to accept or reject an investment by any Member in such an opportunity. The issuer, in its sole discretion, may accept or reject any potential investor, based on the issuer's sole discretion and judgment as to which investors best meet its needs, and subject to other issuer's provisions or restrictions, such as minimum investment requirements and maximum investment limits. The issuer may accept other investors who are not Members.
- (vii) Members are responsible for making individual and independent investment decisions, both as to the suitability of an investment and as to amount, if any, invested based on their own individual evaluation of the merits of the proposed investment and the adequacy and accuracy of their own due diligence.
- (viii) Each Member agrees that KKB shall have no responsibility for the accuracy, completeness or merits of the information presented or the success or failure of any investment decision made by any Member.
- (ix) Neither KKB nor any Member shall be responsible for any other Member's due diligence, or lack thereof, or reliance thereon. No Member is obligated in any way to share any due diligence with any other Member.
- (x) In no way shall KKB, however, organized, be deemed to create a joint venture or partnership among its Members or to create between any fiduciary duty or any other kind of obligation among or between any Members or KKB. Neither KKB nor any Member shall have any responsibility or liability for the decision of any other Member or any issuer with respect to individual participation in any investment opportunity.
- (xi) By execution hereof, each Member expressly agrees that any analysis or facilitation activities that may be done by KKB or any Member, former Member, employee, or other associated parties will be done only for the convenience of the Member, and each Member shall nonetheless have full responsibility of due diligence with respect to any prospective investment by the Member. Accordingly, except in the case of fraud, a Member shall not have any cause of action against any of the aforementioned parties relating to any KKB related educational activity, information sharing or investment presentation, or other related activity.
- (xii) The Board can suspend, revoke, or terminate the Membership of any Member at any time. Decisions regarding the revocation, termination, suspension or non-renewal of Membership by the Board are final and not subject to any appeal. The sole recourse any Member has over any disagreement with a Board decision, motion or action, regardless of its scope or nature, is to withdraw from

Membership in KKB. In case of withdrawal from or termination of Membership, dues for that calendar year will be refunded to such Member, pro-rated as of the end of the calendar quarter in which such withdrawal takes place.

9. Investor Obligations:

- (i) The Investor commits to keep the details of an investment Project which s/he has known through KKB confidential, for a 3 (Three)-year duration, unless otherwise specified by the Entrepreneur. This prohibition of disclosure will not apply to information which was already in the public domain at the time when the Investor was informed of it and with information which will become of public knowledge in the future without her/him being responsible. KKB will make sure that the Entrepreneur registered in the KKB database also commit themselves to never reveal the identity of an Investor/ Member of KKB, unless otherwise specified by the Investor.
- (ii) In the event of participation in a meeting where a Project is presented or on request for further information on the investment Project profiles, the Investor will make KKB aware of any potential conflict with the Entrepreneur and /or the Project presented, information of which will be forwarded to the Entrepreneur who will have the right to allow or refuse the presence of the Investor in order to share any further information.
- (iii) KKB does not provide any investment services nor investment advice to the Investor. It verifies the formal coherence of the profiles it receives. The Investor is therefore responsible for checking by himself the data of the profiles and the investment Project, as well as all information which appears necessary to him, or useful to determine his decision to invest and the methods of this investment.

10. Remuneration of KKB: In case of a successful investment, the Investor will owe a Success Fee to KKB calculated according to the following rules-

- (i) The Investor therefore commits to informing KKB immediately of any investment made during the 2 (two) years period after the communication of the Project Details. Upon receipt of this information, KKB will send the Investor an invoice concerning the Success Fee owed to KKB. This Success Fee will have to be paid immediately. This 2 (two) years' period may be extended in case of engagement of a conditional and/or suspensive future investment decision in the course of the 2 (two) years' period. In this case, the period is extended until the realisation and not of the investment.
- (ii) A Success Fee is due for any investment that is made in the form of cash, loan, guarantee, exchange of actions, contribution in kind or any other contribution having an economic value. By investment, it is necessary to include not only the investment carried out in once but also the investment effected in several stages. In this case, the Success Fee will be invoiced by section, calculated on the total amount of the investment by the Investor.

- (iii) The investor is liable to pay the Success Fee in case an investment is made by a company controlled de facto or by law by the Investor, or by a relative up to 3rd degree, or by any person acting on his behalf.
- (iv) Success Fee at Investment shall be 1% of the investment amount or INR 5000/- (five thousand only) whichever is less, in the Project after the communication of the Project Details, subject to clause 10 (i) above. KKB reserves the right to modify the rate of success fee at any point of time at its sole discretion.
- (v) The Success Fee for a particular deal can be waived for anchor investors at the sole discretion of KKB who have on-boarded KKB platform from side of a particular investee company (already committed investments) for the purpose of investing in that particular company. Such anchor investors, once on-boarded, will have access to all investment opportunities at KKB platform during the year. However, success fee shall be payable for all the other deals.
- (vi) Success Fee at Exit shall be 5% of the profits made by the Investor at the time of buyout or exit from the Project irrespective of the timeline calculated above the hurdle rate of 10% as under:.

At exit, KKB will get exit fee (profit share) as below:

- Upto 10% IRR (pre-tax) - no share
- Above 10% IRR - 5% profit sharing above 10% IRR (for eg.- if the pre-tax IRR on annualised basis comes at 25% at the time of exit, the exit fee shall be calculated on the differential, i.e. on 15%)
- Exit fee (profit share) shall be capped at 50% of the amount invested.

KKB reserves the right to modify the rate of Exit fee at any point of time at its sole discretion.

11. Disclaimer:

- (i). **Investment Risk.** Each Investor/Member is responsible for his/her own independent investment decisions. All investments in entrepreneurial companies involve a high degree of risk, and Investors must be able to bear the risk of complete financial loss.
- (ii). **Reliance on Information.** Whether and how to use any information or knowledge gained through KKB is each Investor/Member's individual and personal choice. KKB doesn't give investment guidance, nor shall KKB be responsible for an Investor/Member's use of such information for the purpose of making any investment.
- (iii). **Diligence.** Each Investor/Member shall have full responsibility individually to conduct due diligence and evaluate the terms of any investment the

Investor/Member elects to make through KKB, at their own risk. KKB makes no representations or warranties regarding any KKB- affiliated investment opportunity. Each Member expressly agrees that any educational, analytical, or facilitation activities that may be undertaken by KKB will be provided only for the convenience of the Member.

- (iv). **Participation Rights.** KKB Membership does not create any right to participate in any particular investment opportunity. KKB has no authority or responsibility to accept or reject an investment by any Investor/Member. Any company, in its sole discretion, may accept or reject a potential Investor, based on the company's sole discretion and judgment as to which investors best meet its needs and subject to other provisions or restrictions that such company may require, such as minimum investment requirements and maximum investment limits. Companies may accept other Investors who are not KKB Members.
- (v). **Indemnity.** Investor shall indemnify and hold harmless KKB, to the fullest extent permitted by law or equity, from and against any and all judgments, losses, claims (whether or not valid), damages, costs, fees, expenses or liabilities, joint or several, to which a KKB may become subject, related to or arising out of any actual claim, litigation, investigation, proceeding or action in any court or before any regulatory, administrative or other body relating to any of the foregoing at its sole cost.
- (vi). **Liability.** In no event shall KKB be liable under this Membership Agreement to any Investor/Member or any third party for consequential, incidental, indirect, exemplary, special, punitive or other damages, including any damages related to investment activity whether or not such damages were proximate or foreseeable. Notwithstanding anything herein to the contrary, in the event that KKB is determined to be liable to any Investor/Member or third party for any reason, the Investor/Member agrees that the aggregate liability of KKB shall not exceed the annual dues paid by the Member during the calendar year in which any such liability occurred.
- (vii). **Cause of Action.** Except in the case of fraud (which shall be interpreted to include the element of scienter), no Investor/Member shall have any cause of action, and each Member hereby irrevocably waives any cause of action that such Member may have, known or unknown, now or in the future, against KKB or its board of directors relating to KKB related activities, information sharing, company investment presentation, or any actions taken by other Members of KKB which are related to KKB or the activities contemplated by this Contract.

12. Other Terms and Conditions:

- (i). **Responsibility:** The Investor/Member acknowledges the fact that KKB does not assume any responsibility in relation to the Investor/Member, whatever the legal

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form, contractual or non-contractual, in relation to the communication of investment profiles and/or investment Project or with the concretization of foreseen investments.

- (ii). **Duration:** The membership is effective from the day subscription fee is paid in full, and is concluded for a duration of 1 (One) year.
- (iii). **Applicable Law and Jurisdiction:** These terms and conditions are subject to Indian law. Courts at Patna shall have exclusive jurisdiction in the matters arising out of compliance of these terms and conditions.
