

SHAREHOLDER'S AGREEMENT

This **SHARE PURCHASE AGREEMENT** ("Agreement") is entered into on the date....., **BETWEEN:**

(1), a company duly incorporated under the [Companies Act, 2013] and having its registered at(hereinafter referred to as the "**Company**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the **FIRST PART**;

(2) S/o
R/o(hereinafter referred to as the "**Acquirer**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the **SECOND PART[1]**; and

(3) D/o R/o....., referred to as "**Seller**" which expression shall, unless repugnant to the context or meaning thereof, mean and include their respective legal heirs, successors, legal representatives, administrators, executors and assigns) of the **THIRD PART**.

(The Acquirer, the Seller and the Company shall be individually referred to as a "**Party**" and collectively referred to as the "**Parties**", as the context may require).

RECITALS

WHEREAS:

- A. The Company is a private limited company engaged in the business of portfolio management, investment consultants, shares, stock broking, mutual fund, commodities, management consultants, financial consultants.
- B. [The authorized share capital of the Company is INR (Indian Rupees Only) and divided into Equity Shares of INR (Indian Rupees Only) each. The issued and paid up share capital of the Company is INR (Indian Rupees Only) and divided into Equity Shares of INR (Indian Rupees Only) each.
- C. As on the Effective Date, the Seller holds and owns Equity Shares ,in the aggregate constituting [.....]% of the Share Capital of the Company on a Fully Diluted Basis.
- D. Acquirer desires to acquire the Shares, constituting of the [....]% of the shareholding of the Seller in the Company. Consequently, Acquirer has offered to acquire the Shares from the Seller and the Seller have agreed to sell and transfer the said Shares (free from all Encumbrances and together with all rights, title and interest therein on the terms and conditions set forth in this Agreement)to Acquirer for the Purchase Price (at par value of Rs. each share).
- E. The Sale Shares shall representpercent)of the Share Capital on a Fully Diluted Basis
- F. The Seller, the Company, and Acquirer have agreed to make certain representations, warranties, covenants and agreements in connection with the transactions contemplated by this Agreement.

NOW THEREFORE, in consideration of the above recitals, the representations, warranties, covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are now acknowledged, the Parties agree as follows:

SECTION 1. DEFINITIONS

1.1 *Defined Terms*

The terms below have the following meanings when used in this Agreement in capitalised form unless otherwise expressed:

- a. **"Agreement"** or **"the Agreement"** or **"this Agreement"** shall mean this Share Purchase Agreement and shall include the recitals hereto, and the contracts, certificates, disclosures and other documents to be executed and delivered pursuant hereto, if any and any amendments made to this Agreement by the Parties in writing.
- b. **"Assets"** means assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as operated, hired, rented, owned or leased by a Person from time to time, including cash, cash equivalents, receivables, securities, accounts and note receivables, real estate, plant and machinery, equipment, trademarks, brands, other intellectual property, raw materials, inventory, furniture, fixtures and insurance owned or used by the Company as of the relevant date.
- c. **"Board"** or **"Board of Directors"** shall mean and include the Board of Directors of the Company or any committee thereof, as constituted from time to time.
- d. **"Business"** has the meaning set out in Recital.
- e. **"Business Day"** means any day other than a Saturday, a Sunday, a public holiday or a day on which banking institutions in [Rajasthan, India] are authorised or obligated by Law to be closed.
- f. **"Claims"** means any demand, claim, action, cause of action, notice, suit, litigation, prosecution, mediation, arbitration, enquiry, assessment or proceeding made or brought by or against a Party, however arising and whether present, unascertained, immediate, future or contingent, losses, Liabilities, Damages, costs and expenses, including reasonable legal fees and disbursements in relation thereto;
- g. **"Closing"** shall have the meaning as prescribed to it in Section 4.1.
- h. **"Closing Date"** shall mean the date on which the closing occurs, which shall be on or before 19.05.2019.
- i. **"Companies Act/Act"** means the Companies Act, 1956, to the extent not repealed and the Companies Act, 2013, to the extent notified, and all amendments or statutory modifications thereto or re-enactment thereof, except where otherwise expressly provided.
- j. **"Conditions Precedent"** means the conditions precedent to Acquirer's purchase of the Sale Shares as set out in this Agreement.
- k. **"Effective Date"** means the date of execution of this Agreement.
- l. **"Equity Share"** means ordinary equity share of face value INR 10/- (Indian Rupees Ten only) each in the Company.
- m. **"Fully-Diluted Basis"** means the total of all classes of shares outstanding on a particular date, combined with all options (whether exercised or not), warrants (whether exercised or not), convertible securities of all kinds, any other arrangements relating to the Company's equity, and the effect of any anti-dilution protection regarding previous financings, all on an "as if converted" basis whereas "if converted" basis means as if such instrument, option or security had been converted into Equity Shares;
- n. **"Governmental Approval"** means a permit, license, consent, approval, certificate, qualification, specification, exemption, registration or other

authorisation including filing of a notification, report or assessment obtained or to be filed as the case may be as per the applicable Laws in India with any governmental, semi-governmental, administrative, fiscal, quasi judicial or judicial body or entity in India;

- o. **"INR", "Indian Rupees" or "Rupees"** means the lawful currency of India.
- p. **"Indemnified Party"** has the meaning set out in Section 6.1.
- q. **"Liabilities"** means with respect to any person any direct or indirect liability, Indebtedness, obligation, expense, deficiency, guaranty or endorsement of or by such person of any type, known or unknown, and whether accrued, absolute, contingent, unmatured, matured, otherwise due or to become due.
- r. **"Person"** means any individual, firm, company, Governmental Authority, joint venture, association or partnership (whether or not having separate legal personality).
- s. **"Purchase Price"** means an amount of Rs.46,000 (only)]to be paid by Acquirer to the Seller towards the acquisition of the Sale Shares.
- t. **"Relative"** shall have the meaning as set forth in Section 2(77) of the Companies Act, 2013;
- u. **"Sale Shares"** means [4600] Equity Shares held by the Seller constituting [46]% of the share capital of the Company on a Fully Diluted Basis.
- v. **"Shareholders Agreement"** means the agreement executed between the Company, Acquirer and the Seller as of the Closing Date setting out the terms governing their relationship inter-se;
- w. **"Shareholders"** shall mean the shareholders, from time to time, of the Company;
- x. **"Share Purchase"** has the meaning set out in Section 2.1.
- y. **"Transaction Documents"** means this Agreement and any other agreement, document, certificate, consent, undertaking or instrument delivered by the Parties and/or their Affiliates pursuant to or in connection with this Agreement including the Shareholders Agreement.
- z. **"Transfer"** (including with correlative meaning, the terms "Transferred by" and "Transferability") shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily;

SECTION 2. PURCHASE AND SALE OF sale SHARES

2.1 Subject to the satisfaction or waiver of the Conditions Precedent immediately prior to Closing, Acquirer shall, on the Closing Date, purchase from the Seller and the Seller shall sell to Acquirer, as the legal and beneficial owner, the Sale Shares free and clear from all Encumbrances and together with all rights, title, interest and benefits appertaining thereto (the **"Share Purchase"**), for the Purchase Price paid by the Acquirer to the Seller.

2.2 The Seller hereby agree and warrant that pursuant to the receipt of the Purchase Price from Acquirer on the Closing Date, the title of the Sale Shares, shall pass on to the Acquirer, free of all Encumbrances whatsoever and together with all legal rights and advantages now and hereafter attaching or accruing thereto, so that the Acquirer will upon the Transfer of the Sale Shares in its name, receive full legal and beneficial ownership thereof.

2.3 Execution Date Deliverables. Simultaneously with the execution of this Agreement on the Effective Date:

- a. the Company shall deliver to the Acquirer a copy certified by a duly authorized director of the Company, of the resolutions duly passed by the Board, approving the execution by the Company of the Transaction Documents;
- b. the Company shall properly execute the Share Transfer Form(SH-4) as defined under Companies Act, 2013 with proper stamp duties.

c. the Acquirer shall deliver to the Company and Seller certified by a duly authorized director of the Company, of the resolutions duly passed by the Board, approving the execution by the Company of the Transaction Documents.

2.4 The Parties shall do or cause to be done all such further acts, deeds, matters and things and execute such further documents and papers as may be reasonably required to give effect to sale and Transfer of the Sale Shares under the Agreement.

SECTION 3. CONDITIONS PRECEDENT[2]

3.1 Seller' Conditions Precedent to Closing. The obligations of the Acquirer to purchase and pay for the Sale Shares on Closing Date are subject to the satisfaction, or waiver in writing by the Acquirer at or prior to the Closing, of the following conditions.

a. Compliance with obligations. The Company and the Seller shall have performed and complied in all respects with all agreements, obligations and conditions contained in the Agreement that are required to be performed or complied with on or before Closing and shall have obtained all approvals, consents and qualifications necessary to complete the sale and purchase of the Sale Shares;

b. Capital Structure and Shareholding. No change in the capital structure of the Company or shareholding of the Seller or rights attached to the Equity Shares shall have occurred other than pursuant to the Transaction Documents.

c. Absence of Material Adverse Effect. There shall not have been, on or prior to the Execution Date or as of the Closing Date, any event, condition or circumstance of any character that, individually or in the aggregate, constitute(s) or is reasonably expected to have a Material Adverse Effect.

d. Corporate Actions. The Board shall have approved the execution of the Transaction Documents by the Company;

e. Execution of Transaction Documents. All Transaction Documents, other than this Agreement, shall have been duly executed, stamped and delivered by the parties thereto.

3.2 Acquirer's Conditions Precedent to Closing. The obligations of the Seller and Company to sell the Sale Shares on Closing Date are subject to the satisfaction, or waiver at or prior to the Closing, of the following conditions.

a. Compliance with obligations. The Acquirer shall have performed and complied in all respects with all agreements, obligations and conditions contained in the Agreement that are required to be performed or complied with on or before Closing and shall have obtained all approvals, consents and qualifications necessary to complete the sale and purchase of the Sale Shares;

b. Consents and Waivers. The Acquirer will have obtained all necessary consents, waivers and no-objections in writing from any Person as may be required under any applicable Law or contract or otherwise for the execution, delivery and performance of the Transaction Documents, including without limitation, Consents, waivers and no-objections;

c. Execution of Transaction Documents. All Transaction Documents, other than this Agreement, shall have been duly executed, stamped and delivered by the parties thereto.

3.3 Co-operation. The Parties shall cooperate with each other in good faith and provide all requisite assistance for the satisfaction of any of the Conditions Precedent upon being reasonably requested to do so by the other Party. If any Party becomes aware of anything which will or may prevent any of the Conditions Precedent from being satisfied before the Long Stop Date, the relevant Party shall notify the other Party in writing as soon as practicable.

SECTION 4. pre closing actions

4.1 Between the Effective Date and the Closing (the "**Interim Period**"), except as expressly permitted or required by this Agreement or with the prior written consent of the Acquirer, the Company and the Seller shall:

- a. **not directly or indirectly initiate or engage in discussions or negotiations with any other Person for the purpose of any transactions in respect of any Equity Shares or Assets of the Company, including creation of any interest, direct, indirect, current, future or contingent, in the Equity Shares or Assets of the Company;**
- b. **not carry out any action or omission which may affect the proposed transaction under this Agreement or which may reduce or dilute the effective shareholding of the Acquirer upon Closing or which may change the shareholding of the Seller;**
- c. **not pass any resolution of the Shareholders or Board, which is inconsistent with any provision of, or transactions contemplated under, the Transaction Documents;**
- d. **carry-on the Business only in the ordinary course of business;**
- e. **comply with all applicable Laws relating to the Business;**
- f. **not make any amendments to the Memorandum or Articles of the Company except as contemplated in this Agreement; and**
- g. **not agree or otherwise commit to take any of the actions described in the foregoing sub sections (a) through (f).**

4.2 Reporting requirements. During the Interim Period, the Company and the Seller shall promptly advise the Acquirer in writing of any event, occurrence, fact, condition, change, development or effect that, individually or in the aggregate, has had or may reasonably be expected to have a Material Adverse Effect.

4.3 Access to Board Meetings, Properties, Etc. The Seller and Company shall allow the Acquirer and its representatives to have reasonable access until the Closing Date, during normal business hours and upon reasonable notice, to the Company's properties, Books and Records, and other relevant documents.

SECTION 5. CLOSING, DELIVERY AND PAYMENT

5.1 Closing. The Seller shall Transfer and deliver to the Acquirer, and the Acquirers shall, upon reliance on, amongst other things, the representations, warranties and undertakings contained in this Agreement, receive and take delivery from the Seller, all of the right, title and interest of the Seller in the Sale Shares free and clear from all Encumbrances, together with the share certificates and duly stamped and executed share transfer forms in relation to the Sale Shares.[3]The Transfer or procurement of the Transfer of the Sale Shares by the Seller to the Acquirer shall constitute the closing of the Share Purchase ("**Closing**").

5.2 Closing Payment and Actions. At Closing, in exchange for the Sale Shares and the delivery or performance by Seller of all those documents, items and actions as may be required to enable the Acquirer to be the legal and registered owner of the Sale Shares, the Acquirer has paid to the Seller, the Purchase Price (Rs.) by way of banking channel (IMPS Ref No.). At Closing the following events shall take place:

- a. The Seller shall deliver to the Acquirer the share certificate(s) representing the Shares sold by such Seller, accompanied by duly stamped and executed share transfer form (Form SH-4) as prescribed under the Companies Act.
- b. the Company shall and the Seller shall cause the Company to convene a meeting of the Board for:
 - i. taking on record the duly executed and stamped share transfer forms in respect of the Sale Shares; and
 - ii. approving the Share Purchase of Shares from the Seller to the Acquirer;
- c. the Company shall make the necessary filings under applicable Law and execute all other documents as may be necessary for the conclusive Transfer of the Sale Shares in the name of the Acquirer;
- d. the Company shall make the necessary entries in its register of members and register of share transfer to record the Transfer of the Sale Shares from the Seller to the Acquirer.

5.3 Deliverables at Closing. At the Closing the Company shall deliver to the Acquirer the following documents:

- a. Certified extract of the resolutions passed by the Board approving the transfer of the Sale Shares from the Seller to the Acquirer.
- b. Certified extract of the register of members and the share transfer register of the Company evidencing the entries relating to the transfer of the Sale Shares from the Seller to the Acquirer.
- c. Certificate, dated as of the Closing Date, executed by Company and the Seller, certifying that the representation and warranties made by the Seller and the Company as set out in this Agreement are true and correct as of the Closing.
- d. A certificate, dated as of the Closing executed by Company and the Seller, certifying to the fulfilment of the Execution Date Deliverables set forth in this Agreement.
- e. Share certificate(s) with respect to the Shares with endorsement of name of the Acquirer on the same.
- f. Any other document as may be reasonably required by the Acquirer pursuant to Closing under this Agreement.

5.4 Upon Closing, the Acquirer shall holdEquityShares of the Company pursuant to Share Purchase, constituting[....]% of the Fully Diluted Share Capital of the Company.

SECTION 6. REPRESENTATIONS AND WARRANTIES

6.1 Representation and Warranties of the Seller. The Seller and Company represents and warrants to the Acquirer that each of the statements set out below (Warranties of the Seller) is now and will be true and accurate as of the Effective Date (which representations and warranties shall be deemed to be repeated as of the Closing Date by reference to the facts and circumstances then existing as if references in such representations and warranties to the Effective Date were references to the Closing Date).

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6.2 Authorisation by Seller. This Agreement has been duly authorised, executed and delivered by the Seller and the Company and creates legal, valid and binding obligations of the Seller, enforceable in accordance with its terms. No consent, approval or authorisation of any Person or entity is required in connection with the Seller's execution or delivery of this Agreement or the consummation by the Seller of the transactions contemplated by this Agreement, except for the approval of the Board to the transfer of the Sale Shares from the Seller to the Acquirer.

SECTION 7. INDEMNIFICATION AND DAMAGES

7.1 In consideration of the purchase of the Sale Shares by the Acquirer from the Seller hereunder, each defaulting Party ("**Indemnifying Party**") agrees to indemnify, defend and hold harmless, the other non-defaulting Party, its Affiliates and each of their respective partners, officers, employees, shareholders, partners, agents, as the case maybe (each, an "**Indemnified Party**" and collectively the "**Indemnified Parties**") from and against, any and all, damages, Losses, Liabilities, obligations, fines, penalties, levies, action, investigations, inquisitions, notices, suits, judgments, claims of any kind including third party claims, interest, governmental and statutory action, costs, litigation and arbitral costs, taxes or expenses (including without limitation, reasonable attorney's fees and expenses) (collectively referred to as "**Loss**") suffered or incurred, directly or indirectly by any Indemnified Party.

SECTION 8. MISCELLANEOUS.

8.1 Confidentiality:

a. Each Party shall keep all information relating to each other Party, information relating to the transactions herein and this Agreement (collectively referred to as the "**Information**") confidential. None of the Parties shall issue any public release or public announcement or otherwise make any disclosure concerning the Information without the prior approval of the other Party; provided however, that nothing in this Agreement shall restrict any of the Parties from disclosing any information as may be required under applicable Law subject to providing a prior written notice of 10 (Ten) Business Days to the other Parties (except in case of regulatory inquiry or examination, and otherwise to the extent practical and permitted by Law). Subject to applicable Law, such prior notice shall also include (a) details of the Information intended to be disclosed along with the text of the disclosure language, if applicable; and (b) the disclosing Party shall also cooperate with the other Parties to the extent that such other Party may seek to limit such disclosure including taking all reasonable steps to resist or avoid the applicable requirement, at the request of the other Parties.

8.2 Amendments. No amendment or variation of this Agreement shall be binding on any Party unless such variation is in writing and duly signed by all the Parties.

8.3 Independent Rights. Each of the rights of the Parties under this Agreement are independent, cumulative and without prejudice to 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 a Party, whether under this Agreement or otherwise.

8.4 Any date or period as set out in any Section of this Agreement may be extended with the written consent of the Parties failing which time shall be of the essence.

8.5 Governing Law: This Agreement and the relationship between the Parties shall be governed by, and interpreted in accordance with, the Laws of India, the courts in [Rajasthan], India shall have the jurisdiction over all matters arising pursuant to this Agreement.

8.6 Dispute Resolution

a. If any dispute or difference arises between any of the Parties hereto during the subsistence of this Agreement or thereafter, in connection with the validity, interpretation, implementation or alleged material breach of any provision of this Agreement or regarding any question, including the question as to whether the termination of this Agreement by any Party hereto has been legitimate, the Parties hereto shall endeavor to settle such dispute amicably.

b. All disputes, differences or Claims arising out of or in connection with this Agreement including, any question regarding its existence, validity, construction, performance, termination or alleged violation which is not resolved shall be finally resolved by arbitration conducted in accordance with Indian Arbitration and Reconciliation Act of 1996 along with the rules framed thereunder. The Parties to the dispute shall share the costs equally or in the proportion as decided by the arbitrator/arbitral tribunal.

8.7 The provisions of this Agreement and the charter documents shall (as far as possible) be interpreted in such a manner as to give effect to all such documents; provided however, that in the event of an inconsistency between this Agreement and the charter documents, to the extent permitted by applicable Law, provisions of this Agreement shall prevail as between the Parties and shall govern their contractual relationship and the Parties shall cause the necessary amendments to the charter documents.

IN WITNESS, the Parties have executed this Share Purchase Agreement as of the date first written above.

ACQUIRER:

COMPANY:

By: _____
Name:
Title:
Address:

By: _____
Name:
Title:
Address:

Authorised Signatory

SELLER:
By: _____

Name:
Title:
Address: