

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
SONA BLW PRECISION FORGINGS LIMITED
(Incorporated under the Companies Act, 1956)

PRELIMINARY

*This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of Sona BLW Precision Forgings Limited (the “**Company**”) held on February 22, 2021¹. These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.*

*The Articles of Association of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the commencement of the listing of equity shares of the Company pursuant to the initial public offering of the equity shares of the Company (the “**Offer**” of the “**Equity Shares**” of the Company). In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. Except Article 7(2)(e), all other articles of Part B shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.*

PART A

PRELIMINARY

TABLE ‘F’ EXCLUDED

- 1.** Unless the context otherwise requires, words or expressions contained in these Articles and not defined herein shall bear the same meaning as in the Act. Regulations contained in Table “F” of Schedule I of the Act shall apply to the Company so far as they are not inconsistent with or repugnant to any of the regulations contained in these Articles.
- 2.** The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, as amended from time to time, be such as are contained in these Articles.

¹ *These Article of Association of the Company has been altered vide Special Resolution passed by the members of the company in their Extra Ordinary General Meeting held on 3.06.2021.*

1. DEFINITIONS

1.1 In these Articles –

- (a) “**Act**” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
- (b) “**Affiliate**” means, in respect of any person, any other person that directly or indirectly controls, is controlled by or is under common control with such person.
- (c) “**Anti-Corruption Laws**” means any law of a jurisdiction in which any of the Parties performs business, or the United States of America, or the United Kingdom, including the Indian Prevention of Corruption Act, 1988, the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act, 2010, Singapore Prevention of Corruption Act, and the applicable financial record keeping and reporting requirements of the U.S. Currency and Foreign Transaction Reporting Act of 1970, the U.S. Money Laundering Control Act of 1986 and any similar Applicable Law.
- (d) “**Applicable Law(s)**” means any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law or approval, order or judgment of any authority, directive, guideline, policy, requirement, 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 Governmental Authority having jurisdiction over the matter in question, effective at the relevant time.
- (e) “**Annual General Meeting**” means the annual general meeting of the Company convened and held in accordance with the Act.
- (f) “**Articles of Association**” or “**Articles**” mean these articles of association of the Company, as may be altered from time to time in accordance with the Act.
- (g) “**Board**” or “**Board of Directors**” means the board of directors of the Company in office at applicable times.
- (h) “**Business**” means the business undertaken from time to time by the Company or its subsidiaries.
- (i) “**Code**” means the United States Internal Revenue Code of 1986.
- (j) “**Company**” means Sona BLW Precision Forgings Limited, a company incorporated under the laws of India.
- (k) “**Depository**” means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.
- (l) “**Director**” shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with and the provisions of these Articles.

- (m) **“Effective Date”** means the date of receipt of final listing and trading approval from the stock exchanges for the listing and trading of the Equity Shares of the Company pursuant to the IPO.
- (n) **“Equity Shares”** or **“Shares”** shall mean the issued, subscribed and fully paid-up equity shares of the Company of Rs. 10 (Rupees Ten only) each.
- (o) **“Exchange”** shall mean BSE Limited and the National Stock Exchange of India Limited.
- (p) **“Extraordinary General Meeting”** means an extraordinary general meeting of the Company convened and held in accordance with the Act.
- (q) **“Fully Diluted Basis”** means, in relation to any calculation of Equity Shares, such calculation being made assuming that all outstanding equity securities, whether or not by their terms then currently convertible, exercisable or exchangeable into Equity Shares, have been converted, exercised or exchanged on the most favourable terms available to their holder (and any reference to ‘Fully Diluted Basis’ in calculating the number of equity shares of any other corporate entity shall be interpreted in a similar manner).
- (r) **“General Meeting”** means any duly convened meeting of the shareholders of the Company and any adjournments thereof.
- (s) **“Governmental Authority”** means and includes any nation or government or any province, state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government in any jurisdiction, including any government authority, agency, department, board, commission or instrumentality of India, or any political subdivision thereof, or of any other applicable jurisdiction, any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange.
- (t) **“Government Official”** means: (a) officers, employees and other persons working in an official capacity on behalf of any branch of a government (e.g., legislative, executive, judicial, law, military or public institutions, including hospitals and universities) at any level (e.g., local, county, provincial or central) or any department or agency thereof; (b) political party officials and candidates for political office; (c) directors, officers and employees of wholly or partially state-owned, state-controlled or state-operated enterprises; and (d) officers, employees and other persons working in an official capacity on behalf of any public international organization (e.g., United Nations or the World Bank).
- (u) **“IPO”** means the initial public offering of the Equity Shares of the Company.
- (v) **“Member”** means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository.
- (w) **“Memorandum”** or **“Memorandum of Association”** means the memorandum of association of the Company, as may be altered from time to time. **“Office”** means the registered office, for the time being, of the Company.

- (x) “**Officer**” shall have the meaning assigned thereto by the Act.
- (y) “**Ordinary Resolution**” shall have the meaning assigned thereto by the Act.
- (z) “**Person**” means any individual, entity, joint venture, company, corporation, partnership, proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association or Governmental Authority, and includes their respective successors, legal representatives, administrators, executors and heirs, as the case may be, and in respect of a trust includes its trustee or trustees.
- (aa) “**Register of Members**” means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository.
- (bb) “**Special Resolution**” shall have the meaning assigned thereto by the Act.
- (cc) “**SAHPL**” means Sona Autocomp Holding Private Limited a company incorporated under the provisions of the Companies Act, 1956, and having its registered offices at GF19, Indraprakash, 21 Barakhamba Road, New Delhi-110001, India.
- (dd) “**SAHPL Directors**” means Directors nominated by SAHPL from time to time.

1.2 Except where the context requires otherwise, these Articles will be interpreted as follows:

- (a) headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles;
- (b) where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;
- (c) words importing the singular shall include the plural and vice versa;
- (d) all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;
- (e) the expressions “hereof”, “herein” and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;
- (f) the *ejusdem generis* (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, **include** and **including** will be read without limitation;
- (g) any reference to a **person** includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person’s executors, administrators, heirs, legal representatives and permitted successors and assigns;
- (h) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;
- (i) references made to any provision of the Act shall be construed as meaning and including the references to the Companies Act, 2013 and the rules and regulations notified in relation to the same by the Ministry of Corporate Affairs. The applicable

provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified;

- (j) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:
 - (i) that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and
 - (ii) any subordinate legislation or regulation made under the relevant statute or statutory provision;
- (k) references to writing include any mode of reproducing words in a legible and non-transitory form; and
- (l) references to ₹, *Rupees, Rs. and INR* are references to the lawful currency of India.

2. SHARE CAPITAL AND VARIATION OF RIGHTS

- 2.1 The authorized share capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company.

SHARES AT THE DISPOSAL OF THE DIRECTORS

- 2.2 Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such time as they may from time to time think fit, and with the approval of the Company in a General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors deem fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered by the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the approval of the Company in the General Meeting.

SHARE CERTIFICATES

LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

- 2.3 (i) Unless the shares have been issued in dematerialized form in terms of Applicable Laws, every person whose name is entered as a Member in the Register of Members shall be entitled to receive within 2 (two) months from the date of the allotment or within 1 (one) month after the application for the registration of transfer, sub-division, consolidation, renewal or transmission or within such other period as the conditions of issue shall be provided, —
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of 20 (twenty) rupees for each certificate after the first.

- (ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by 2 (two) Directors or by a Director and the company secretary.
- (iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- (iv) Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive number of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may approve.

ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

- 2.4 (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of 20 (twenty) rupees for each certificate. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under any other act or rules applicable in this behalf.
- (ii) The provisions of the Article shall *mutatis mutandis* apply to debentures of the Company.

COMPANY NOT BOUND TO RECOGNIZE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

- 2.5 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

UNDERWRITING AND BROKERAGE

COMMISSION FOR PLACING SHARES, DEBENTURES, ETC.

- 2.6 (i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

- 2.7 (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
- 2.8 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 2.9 Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an Special Resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by Special Resolution, determine.

3. FURTHER ISSUE OF SHARE CAPITAL

- 3.1 Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then:
- (a) such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date;
- (i) such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days or such lesser number of days as may be required and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
- (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice as aforesaid shall contain a statement of this right; provided that the Directors may decline, giving reasons for refusal to allot any shares to any person in whose favour any Member may renounce the shares offered to him;
- (iii) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company;
- (b) such shares shall be offered to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other Applicable Laws; or
- (c) such shares shall be offered to any persons, whether or not those persons include the persons referred to above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer, subject to compliance with the applicable provisions of Chapter III of the Act and any other

conditions as may be prescribed, if a Special Resolution to this effect is passed by the Company in a General Meeting.

3.2 Nothing in sub-clause (c) of Article 3.1 above, shall be deemed:

- (a) To extend the time within which the offer should be accepted; or
- (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

3.3 Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:

- (a) To convert such debentures or loans into shares of the Company; or
- (b) To subscribe for shares of the Company

Provide that the terms of the issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Where any debentures have been issued, or loan has been obtained from any Government, either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with the rules, if any made by that Government in this behalf; and
- (b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the Special Resolution passed by the Company in General Meeting before the issue of such debentures or raising of the loans.

4. TERM OF ISSUE OF DEBENTURES

4.1 Any debentures, debenture stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Provided that the debentures, debenture stock or other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution subject to provisions of Section 71 of the Act and rules made thereunder.

5. LIEN

5.1 (i) The Company shall have a first and paramount lien—

- (a) on every share/ debenture (not being a fully paid share/ debenture), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/ debenture; and
- (b) on all shares/ debentures (not being fully paid shares/ debentures) standing registered in the name of each Member (whether solely or jointly with others), for all monies presently payable by him or his estate to the Company:

Provided that the fully paid up shares/ debentures will be free from all lien and in respect of any partly paid shares/ debentures of our Company, the lien, if any, shall be restricted to monies called or payable at a fixed time in respect of such shares/ debentures.

Provided that in respect of shares, no equitable interest shall be created except upon the footing and condition that these Articles will have full effect.

Provided that the Board of Directors may at any time declare any share/ debenture to be wholly or in part exempt from the provisions of this clause. Unless otherwise agreed, the registration of a transfer of shares/ debentures shall operate as a waiver of the Company's lien if any, on such shares/ debentures.

- (ii) The Company's lien, if any, on a share/ debenture shall extend to all dividends payable and bonuses declared from time to time in respect of such shares/ debentures.

5.2 The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

5.3 (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

5.4 (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

6. CALLS ON SHARES

6.1 (i) The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

- (ii) Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

- (iii) A call may be revoked or postponed at the discretion of the Board.
- 6.2 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
- 6.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 6.4 (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 6.5 (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
(ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 6.6 The Members shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment, become presently payable.

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

- 6.7 The Board —
 - (a) may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him beyond the sums actually called for; and
 - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the Member paying the sum in advance provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

The Members shall not be entitled to any voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures.

7. TRANSFER OF SHARES

- 7.1 (i) The Company shall use a common form of transfer. The instrument of transfer shall be in writing and all provisions of the Act and of any statutory modification thereof for the time being shall be duly complied within respect of all transfer of shares and the registration thereof.
(ii) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

- (iii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

7.2 Subject to the provisions of the Act, these Articles and any other Applicable Law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided further that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. Subject to these Articles, the Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register—

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.

7.3 The Board may decline to recognise any instrument of transfer unless—

- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

7.4 No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

7.5 On giving not less than 7 (seven) days' previous notice in accordance with Section 91 of the Act and rules made thereunder or notice of such lesser period as may be specified by SEBI, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.

7.6 Transfer of Shares/debentures in whatever lot shall not be refused.

8. TRANSMISSION OF SHARES

8.1 (i) On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 8.2
- (i) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
 - (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the share as the deceased or insolvent Member could have made.
 - (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency.
- 8.3
- (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
 - (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
 - (iii) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
- 8.4
- A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

9. FORFEITURE OF SHARES

- 9.1 If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- 9.2 The notice aforesaid shall —
- (a) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

- 9.3 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 9.4 (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 9.5 (i) A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- 9.6 (i) A duly verified declaration in writing that the declarant is a Director, the manager or the company secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- 9.7 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

10. ALTERATION OF CAPITAL

- 10.1 The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 10.2 Subject to the provisions of Section 61 of the Act, the Company may, by ordinary resolution
-
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the manner prescribed by the Act and the rules made thereunder;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; and
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

10.3 Where shares are converted into stock —

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

10.4 The Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by Applicable Law —

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

11. CAPITALISATION OF PROFITS

11.1 (i) The Company in General Meeting may, upon the recommendation of the Board, resolve —

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

- (ii) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards —

- (a) paying up any amounts for the time being unpaid on any shares held by such Members respectively;
 - (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;
 - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
 - (d) A securities premium account, free reserves and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares; and
 - (e) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
- 11.2 (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall —
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power —
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (iii) Any agreement made under such authority shall be effective and binding on such Members.

12. BUY-BACK OF SHARES

- 12.1 Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act and any other applicable provision of the Act or any other Applicable Law for the time being in force, the Company may purchase its own shares or other specified securities.

13. BORROWING POWERS

- 13.1 The Board may, from time to time, subject to the provisions of the Act and rules therein, raise or borrow any sums of money for and on behalf of the Company from the Members or from other persons, companies or banks. Directors may also advance monies to the Company on such

terms and conditions as may be approved by the Board. Provided, however, where the monies to be borrowed, together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the paid-up share capital, free reserves and securities premium, the Directors shall not borrow such monies without the consent of the Company in General Meeting by means of Special Resolution.

- 13.2 The Board may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit.

14. GENERAL MEETINGS

- 14.1 Subject to the provisions of the Act, as amended from time to time, an Annual General Meeting shall be held in each calendar year within 6 (six) months following the end of the previous financial year of the Company and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Board of Directors shall issue the notice of Annual General Meeting together with the annual financial statement, auditors report and other annexures as required under the Act or other Applicable Law(s) to all Shareholders and others entitled to receive such notice at least 21 (twenty-one) clear days before the Annual General Meeting is held to consider ordinary business i.e. consider and adopt the audited financial statements, including consolidated financial statements and the reports of the Directors and the Auditors thereon, to elect Directors in the place of those retiring, to appoint Auditors and fix their remuneration and to declare dividends, as may be required. All other business transacted at an Annual General Meeting and all business transacted at any other General Meeting shall be deemed to be special business.

- 14.2 All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.

- 14.3 The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

- 14.4 Annual General Meetings and Extraordinary General Meetings may be called after giving shorter notice as per the Act.

- 14.5 If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any 2 (two) Members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

15. PROCEEDINGS AT GENERAL MEETINGS

- 15.1 No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business.

- 15.2 Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

- 15.3 The chairperson, if any, of the Board shall preside as chairperson at every General Meeting of the company.

- 15.4 If there is no such chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of the Directors to be chairperson of the meeting.

15.5 If at any meeting no Director is willing to act as chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be chairperson of the meeting.

16. ADJOURNMENT OF MEETING

16.1 (i) The chairperson may, with the consent of Members at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

17. VOTING RIGHTS

17.1 Subject to any rights or restrictions for the time being attached to any class or classes of shares —

(a) on a show of hands, every Member present in person shall have one vote; and

(b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.

17.2 A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

17.3 (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

17.4 A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

17.5 Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

17.6 No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

17.7 (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

18. PROXY

18.1 The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

18.2 An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.

18.3 A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

19. BOARD RELATED MATTERS

19.1 Unless otherwise determined by General Meeting the number of Directors shall not be less than 3 (three) and not more than 15 (fifteen), and at least 1 (one) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than 15 (fifteen) Directors after passing a Special Resolution.

19.2 (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them —

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or General Meetings of the Company; or

(b) in connection with the business of the Company.

19.3 The Board may pay all expenses incurred in getting up and registering the Company.

19.4 The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

19.5 All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

19.6 Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

- 19.7 (i) Subject to the provisions of Section 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, alternate director or a nominee director provided the number of the Directors along with Directors appointed together shall not at any time exceed the maximum strength fixed for the Board by these Articles.
- (ii) An additional director shall hold office only up to the date of the next annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

20. PROCEEDINGS OF THE BOARD

- 20.1 (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A Director may, and the manager or company secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
- 20.2 (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- 20.3 The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.
- 20.4 (i) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairperson of the meeting.
- 20.5 (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 20.6 (i) A committee may elect a chairperson of its meetings.
- (ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.
- 20.7 (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present.
- 20.8 All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as

aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

20.9 Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

21. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

21.1 Subject to the provisions of the Act:

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

21.2 A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

22. DIVIDENDS AND RESERVE

22.1 The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

22.2 Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

22.3 (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

22.4 (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 22.5 The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 22.6 (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct.
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 22.7 Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 22.8 Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- 22.9 Where a dividend has been declared by the Company but which has not been paid or claimed within 30 (thirty) days from the date of the declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "Unpaid Dividend Account".
- 22.10 Any money transferred to the "Unpaid Dividend Account" of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund established under sub-section (1) of Section 125 of the Act.
- 22.11 No unclaimed or unpaid dividend shall be forfeited by the Board before it becomes barred by Applicable Law.
- 22.12 No dividend shall bear interest against the Company.

23. ACCOUNTS

- 23.1 (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors.
(ii) No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Applicable Law or authorised by the Board or by the Company in General Meeting.

24. WINDING UP

24.1 Subject to the provisions of Chapter XX of the Act and rules made thereunder —

- (i) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

25. INDEMNITY

25.1 Every Officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings relating to acts or omissions by or on behalf of the Company, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

26. SECRECY CLAUSE

26.1 No Member shall be entitled to inspect the Company's works without the permission of the managing director/Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing director/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

27. GENERAL POWER

27.1 Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

27.2 At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**Listing Regulations**"), the provisions of the Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations, from time to time.

28. COVENANTS

28.1 Compliance with Laws

- (a) The group chief executive officer or such other person designated by the Board will be responsible for ensuring compliance with all Applicable Laws in the conduct of the Business.
- (b) Ethical Business Practices:
 - (i) The Company shall not, and shall not permit any of its directors, officers, employee or agents (collectively, **Authorized Representatives**) to, offer, promise, give, or authorize or approve the giving of, anything of value, directly or through an authorized third party, to any Government Official, political party or official thereof or to any candidate for political office (or to any person where the Company or its Authorized Representative knew or was aware of a high probability that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, political party, party official, or candidate for political office) for the purposes of: (A) influencing any act or decision of such Government Official, political party, party official, or candidate in his or its official capacity; or (B) inducing such Government Official, political party, party official or candidate to do or omit to do any act in violation of the lawful duty of such Government Official, political party, party official or candidate; or (C) securing any improper advantage; or (D) inducing such Government Official, political party, party official, or candidate to use his or its influence with any Governmental Authority to affect or influence any act or decision of such Governmental Authority, in order to assist either the Company in obtaining or retaining business for or with, or directing business to the Company. Without limiting the generality of the foregoing, the Company shall not, and shall ensure that its Authorized Representatives shall not, directly or indirectly take any other action, in each case, in violation of any Anti-Corruption Laws or establish or maintain any fund or assets in which any of Company has proprietary rights that have not been adequately recorded in its books and records.
 - (ii) The Company shall:
 - (A) not take any action, directly or indirectly, that would constitute a violation, of applicable Anti-Corruption Laws;
 - (B) not take any action, directly or indirectly, that would constitute a violation of any money laundering-related laws in India, and all other jurisdictions where the Company conducts any business or transactions or owns assets, and any related or similar Applicable Laws issued, administered or enforced by any Governmental Authority (collectively, the **Money Laundering Laws**); and
 - (C) immediately notify the Board of any violation or potential violation of Anti-Corruption Laws or Money Laundering Laws.
 - (iii) The Company acknowledges and agrees that:
 - (A) the Company shall at all times: (1) adopt an anti-bribery and anti-corruption policy applicable to the Company, and adopt such

modifications or amendments to such policy, as may be required under Applicable Law and/or recommended by the Board or a sub-committee of the Board; (2) implement effective controls and procedures and an internal accounting controls system that is sufficient to provide reasonable assurances that violations of Anti-Corruption Laws will be prevented, detected and deterred; and (3) conduct anti-bribery and anti-corruption training for all the key managerial persons from time to time at the Company's expense.

- (iv) The Company shall not, and its Directors, officers and employees (including, key managerial persons) shall not, and the Company shall ensure and procure that none of its Authorized Representatives shall, directly or indirectly, lend, contribute or otherwise make available such amount to or other Person, for the purpose of financing the activities of any Person currently subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (**OFAC**), the U.S. Department of State or any other relevant U.S. government authority, the United Nations, the European Union or Her Majesty's Treasury (collectively, **Sanctions**), and the use of such funds will be in compliance with and will not result in the breach by any Person of the Sanctions.
- (v) The Company shall maintain its books and records in a manner that, in reasonable detail, accurately and fairly reflects the transactions and disposition of its assets, and maintain a system of internal accounting controls that meets international standards of good practice and is reasonably satisfactory to the Board to provide reasonable assurances that: (A) transactions are executed and access to assets is given only in accordance with management's authorization; (B) transactions are recorded as necessary to permit preparation of periodic financial statements and to maintain accountability of corporate assets; (C) recorded assets are compared with existing assets at reasonable intervals and appropriate action is taken with respect to any discrepancies between recorded and actual assets; (D) neither the Company nor its Authorized Representatives engage in any practices in commercial operations that are in violation of any Money Laundering Laws, and in relation to any Governmental Authority, use any corporate funds, directly or indirectly, for any contribution, gift, entertainment or other expense relating to political activity that would be unlawful under any Applicable Law; (E) the recorded inventory of assets is compared with the existing tangible assets at reasonable intervals and appropriate action is taken with respect to any material differences, (F) segregating duties for cash deposits, cash reconciliation, cash payment, proper approval is established, and (G) no personal assets or bank accounts of the employees, directors, officers are mingled with the corporate assets or corporate bank account, and the Company does not use any personal bank accounts of any key managerial person, employees, directors, officers hereof during the operation, or for the purpose of the Business.
- (vi) Notwithstanding anything to the contrary in these Articles, nothing contained herein shall require any member to make any payment that it reasonably believes will constitute a violation of the Anti-Corruption Laws.

28.2 U.S. Taxes

- (a) Tax Reporting Regimes. Each member shall, upon request (and at the cost of the Company), provide to the Company such documentation and any other information on

it and its direct or indirect owners as is required in order for the Company to satisfy any applicable tax reporting or compliance requirements, including sections 1471 through 1474 of the IRC and any U.S. Treasury Regulations, forms, instructions or other guidance issued pursuant thereto, any agreements entered into pursuant to section 1471(b)(1) of the IRC, any intergovernmental agreement entered into in connection with such sections of the IRC, any law implementing any such intergovernmental agreement and any legislation or regime which implements, or implements rules similar to the Organisation for Economic Co-operation and Development's Common Reporting Standard.

- (b) Tax Advances. To the extent the Company is required by law to withhold or to make tax payments (including any interest and penalties thereon) on behalf of or with respect to any member (**Tax Advances**), the Company may withhold such amounts and make such tax payments as so required. All Tax Advances made on behalf of a member shall, at the option of the Company, (i) be promptly paid to the Company by the member on whose behalf such Tax Advances were made or (ii) be repaid by reducing the amount of the current or next succeeding distribution or distributions which would otherwise have been made to such member or, if such distributions are not sufficient for that purpose, by so reducing the proceeds of liquidation otherwise payable to such member. Whenever the Company selects the option set forth in clause (ii) of the immediately preceding sentence for repayment of a Tax Advance by a member, for all other purposes of these Articles such member shall be treated as having received all distributions unreduced by the amount of such Tax Advance. Each member hereby agrees to indemnify and hold harmless the Company and any member or officer thereof from and against any liability with respect to Tax Advances required on behalf of or with respect to such member. The obligations of a member set forth in this Article 28.2 shall survive the withdrawal of any member from the Company or any transfer of a member's interest.
- (c) Reporting: The Company shall provide to the members such information as the members may reasonably request in writing at any time or from time to time in order to permit the members (i) to determine whether the Company has been a "passive foreign investment company" (a **PFIC**) or a "controlled foreign corporation" (a **CFC**) (as such terms are defined in the Code), (ii) to determine the consequences to the member (or their direct or indirect shareholders) of such status, and (iii) all such other information that is reasonably necessary for the members (or their direct or indirect shareholders) to duly complete and file its (or their) income tax returns and, if the Company is determined to be a PFIC, such information reasonably necessary to make or maintain any election available under the Code related to PFIC status. Information necessary to permit the members (or their direct or indirect shareholders) to make a "qualified electing fund" election with respect to the Company shall be provided to the members as soon as reasonably practicable after the end of each Financial Year and in no event later than the immediately succeeding March 1st following the end of each Financial Year of the Company for which it is determined that the Company is a PFIC.
- (d) Tax Election: The Company agrees not to make any election to be treated as anything other than a corporation for United States federal income Tax purposes without the prior consent of the Board.
- (e) Treaty: The Company shall use its reasonable efforts to conduct its activities in a manner that makes it possible for the Company to benefit from the provisions of any tax treaty between India and the United States of America and any tax treaty between India and the Republic of Singapore.

PART B

1. DEFINITIONS

1.1 Definitions

For the purpose of Part B of these Articles the following words and expressions when used in capitalized form have the following meanings:

“**Accepted New Securities**” has the meaning as set out in Article 5.2(b) of Part B of these Articles;

“**Act**” means the (Indian) Companies Act, 1956 (to the extent that it has not been repealed), and the (Indian) Companies Act, 2013 (to the extent notified), and any reference to a section of the Act will be to such section of the Companies Act, 2013, unless otherwise specified;

“**Action**” means any suit, claim, action, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, review, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or any arbitrator or arbitration panel;

“**Adjustment Event**” means any bonus issue, stock split, free distribution, reclassification or combination of, any of the Equity Securities, or other events affecting the Equity Securities including recapitalization, reorganization, merger, consolidation, split up, spin off, combination, exchange of shares, warrants or right offering to purchase any Equity Securities;

“**Affiliate**” means, in respect of any Person, any other Person that directly or indirectly Controls, is Controlled by or is under common Control with such Person.

“**Alternate Director**” has the meaning ascribed to it in Article 3.1(e) of Part B of these Articles;

“**Applicable Law(s)**” means any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law or approval, order or judgment of any authority, directive, guideline, policy, requirement, 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 Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of the SHA or at any time thereafter;

“Approval” means any consent, approval, authorization, waiver, permit, grant, concession, agreement, license, certificate, exemption, order or registration, of, with or from any Person;

“Approved Firm” means KPMG, PricewaterhouseCoopers, Ernst and Young, Deloitte Touche Tohmatsu and Grand Thornton LLP, or such Indian firm of chartered accountants associated with any of them;

“Articles of Association” or “Articles” means the articles of association of the Company, as amended from time to time;

“Associate Company” has the meaning as prescribed to it in under section 2(6) of the Act;

“Audited Financial Statements” means, in respect of any Financial Year, the audited financial statements (including the balance sheet, statement of profit and loss and cash flow statement and other documents required to be attached thereto, including the directors’ report of the Company or any Group Company, as applicable, for such Financial Year, including, for avoidance of doubt, any audit opinions provided by the statutory auditors of the Company or the Group Company, as applicable;

“Authorised Representatives” has the meaning ascribed to it in Article 4.6(b) of Part B of these Articles;

“Board” means the board of directors of the Company;

“Brand Ownership Agreement” has the meaning ascribed to it in the SSPA;

“Business” means the Sona Business and the Comstar Business, and any other business undertaken from time to time by the Company or its Subsidiaries (including, the Comstar Entities);

“Business Day” means any day, other than Saturdays and Sundays, on which banks in New Delhi (India), Singapore, and New York (United States of America) are open for conducting normal banking business;

“CCPS” means the compulsorily convertible preference shares of the Company issued, or to be issued, by the Company in terms of the SSPA;

“Code” means the United States Internal Revenue Code of 1986;

“Competing Business” means any company in India (other than the Company and its Subsidiaries from time to time) that generates more than 50% (fifty percent) of its turnover from manufacture, sale and distribution of automotive components;

“Completion Management Accounts Date” has the meaning ascribed to it in the SSPA;

“Comstar Business” means manufacturing, assembly and sub-assembly of components related to starter motors, alternators, starter motor kits, belt starter generators, integrated starter generators and any related and ancillary activities in relation to the manufacture thereof and research and development, sale, marketing, trading and distribution activities in relation thereto;

“Comstar Entities” means (a) Comstar India; and (b) Comstar Automotive Hong Kong Limited, a company incorporated under the laws of the Hong Kong Special Administrative Region of the PRC and having its registered office at Unit 1307, 13/F, Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong;

“Comstar India” means Comstar Automotive Technologies Private Limited, a company duly incorporated under the Companies Act, 1956 and having its registered office at Keelakaranai Village, Malrosapuram Post, Maraimalainagar, Chengalpattu, Tamil Nadu – 603204, India;

“Comstar KMPs” means (a) Mr. Sat Mohan Gupta (Executive Director and CEO), Mr. Praveen Chakrapani Rao (Vice President), and Mr. Vaithiyanathan M. (Vice President); (b) if the Proposed Merger is consummated, any positions held by or assigned to the abovementioned Persons in the Company (as the surviving entity); and (c) any Person who is a replacement to the designees mentioned in (a) and (b) above, or who holds any similar or equivalent designation from time to time;

“Comstar Seller” means Singapore VII Topco III Pte. Ltd;

“Comstar SPA” means the share purchase agreement executed or to be executed *inter alia* between the Company, the Comstar Entities and the Comstar Seller, pursuant to which the Company shall purchase 100% (One Hundred Percent) of the equity shares of Comstar Entities from the Comstar Seller under the terms of and in accordance with the provisions of the Comstar SPA;

“Control” means with respect to any Person, (a) beneficial ownership (directly or indirectly) of more than 50% (fifty per cent) of the equity shares or other voting securities of such Person, (b) the right (directly or indirectly) to appoint, or cause the appointment of, more than 50% (fifty per cent) of the members of the board of directors, or similar governing body, of such Person, or (c) the right (directly or indirectly) to manage, or direct the management of, the assets of such Person. For clarity, a general partner is deemed to be in Control of a limited partnership;

“Deed of Adherence” means an agreement in the form as agreed to between the Company, SAHPL, SK and the Investor;

“Director” means any director appointed on the Board;

“Drag Notice” has the meaning ascribed to it in Article 6.5(a) of Part B of these Articles;

“Drag Price” has the meaning ascribed to it in Article 6.5(b) of Part B of these Articles;

“Drag Purchaser” has the meaning ascribed to it in Article 6.5 of Part B of these Articles;

“Drag Right” has the meaning ascribed to it in Article 6.5 of Part B of these Articles;

“Drag Sale” has the meaning ascribed to it in Article 6.5 of Part B of these Articles;

“Dragged Securities” means, at the time of delivery of the Drag Notice, such number of Equity Securities held by SAHPL and its Affiliates that bears the same proportion to the aggregate of all the Equity Securities held by SAHPL and its Affiliates, as the Equity Securities proposed to be sold by the Investor in the Drag Sale bears to the aggregate of all the Equity Securities held by the Investor, in each case, on a Fully Diluted Basis, or such other number of Equity Securities held by SAHPL and its Affiliates as may be mutually agreed between the Investor and SAHPL, in writing;

“EBIDTA” means, in respect of any period of determination, the earnings before interest, depreciation, taxation and amortization for such period, excluding any non-operating, extraordinary or non-recurring income or expense items;

“Effective Date” means 5 July 2019;

“Encumbrance” means (a) any mortgage, pledge, lien, charge (whether fixed or floating), pre-emptive right, hypothecation, assignment, deed of trust, title retention, right of set-off or counterclaim, security interest or other encumbrance, security letter or arrangement 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 which has an economic or financial effect similar to the granting of security under Applicable Law; (b) any purchase or option agreement or arrangement, right of first refusal, right of first offer; (c) any subordination agreement or arrangement; (d) any agreement to create or effect any of the foregoing; (e) any interest, option, or transfer restriction in favour of any Person; and (f) any adverse claim as to title, possession or use;

“Equity Securities” mean the Equity Shares, any other forms of equity capital, preference shares, convertible debentures (whether, compulsorily or optionally convertible), options, warrants and other instruments, obligations, or securities, in each case, of the Company, that are directly or indirectly convertible into, or exercisable or exchangeable for, Equity Shares or any other type or class of share capital of the Company;

“Equity Share” means an equity share of the Company having a face value of INR 10 (Indian Rupees Ten);

“ESOP Scheme” means the employee stock option scheme, which may be approved and adopted by the Board and the Shareholders from time to time, and having such size (or pool) as is agreed between the Investor and SAHPL, in writing;

“Europe Separation Agreement” means the share purchase and shareholders agreement executed as of the SHA Execution Date by and between SAHPL, the Company, Sona Autocomp Germany GmbH, Sona BLW Prazisionsschmiede GmbH, SHBV and SK for the transfer of the SHBV Sale Shares (as defined therein) from the Company to SAHPL (as amended or modified from time to time);

“Fall Away Event” means, the aggregate ownership of SAHPL (together with its Affiliates) in the Company falling below 7.5% (seven point five percent) of the Equity Shares on a Fully Diluted Basis;

“First Adjourned Board Meeting” has the meaning as set out in Article 3.1(n) of Part B of these Articles;

“Financial Year” means the period commencing on April 1 of each calendar year and ending on March 31 of the subsequent calendar year;

“Fully Diluted Basis” means, in relation to any calculation of Equity Shares, such calculation being made assuming that all outstanding Equity Securities, whether or not by their terms then currently convertible, exercisable or exchangeable into Equity Shares, have been converted, exercised or exchanged on the most favourable terms available to their holder (and any reference to ‘Fully Diluted Basis’ in calculating the number of equity shares of any other corporate entity shall be interpreted in a similar manner);

“Governmental Approval” means any Approval of, with or from any Governmental Authority;

“Governmental Authority” means and includes any nation or government or any province, state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government in any jurisdiction, including any government authority, agency, department, board, commission or instrumentality of India, or any political subdivision thereof, or of any other applicable jurisdiction, any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange;

“Government Official” means: (a) officers, employees and other persons working in an official capacity on behalf of any branch of a government (e.g., legislative, executive, judicial, law, military or public institutions, including hospitals and universities) at any level (e.g., local, county, provincial or central) or any department or agency thereof; (b) political party officials and candidates for political office; (c) directors, officers and employees of wholly or partially state-owned, state-controlled or state-operated enterprises; and (d) officers, employees and other persons working in an official capacity on behalf of any public international organization (e.g., United Nations or the World Bank);

“Group CEO” means the person appointed to the designation of the “Sona Comstar – Group Chief Executive Officer” for the Company and its Subsidiaries (including, the Comstar Entities), as appointed in terms of the SHA and any replacement thereof, or any person who holds any similar or equivalent designation from time to time;

“Group Companies” means and includes all direct or indirect Subsidiaries, and all Associate Companies of the Company in which the Company directly or indirectly holds any equity securities;

“Indebtedness” means, in respect of any Person, without double counting: (a) the obligation for repayment of borrowed money (including loans); (b) all financial repayment obligations evidenced by a note, bond, redeemable debenture, letter of credit, draft or similar instrument; (c) that portion of obligations with respect to capital leases, finance leases or hire purchase agreements that is properly classified as a liability on a balance sheet in conformity with applicable accounting principles in India (or any other relevant jurisdiction); (d) in relation to purchase of any assets or services, any obligation owed for all or any part of deferred purchase price, and any amount payable that is outstanding after the date of purchase of such assets or services (including any “earn-out” or similar obligations); (e) unfunded capital commitments towards any other Person; (f) operational debt or debt like obligations including overdraft, capital creditors, stretched creditors, off-balance sheet items, tooling advances, overdue employee bonuses or other employee payables, unfunded leave encashment, old aged working capital, stale cheques, customer security deposits, restricted cash, transaction costs, provisions for Taxes and any other similar debt or debt like items; (g) all payment obligations under any interest rate, foreign exchange or other swaps, options, derivatives and other hedging agreements or arrangements; (h) all contingent liabilities, (i) all guarantees of any nature extended by such Person with respect to any indebtedness and obligations of any other Person of the types described in sub-Articles (a) through (h) above; and (j) all indebtedness and obligations of the types described in the sub-Articles (a) through (i), to the extent secured by any Encumbrance on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby has been assumed by that Person or is non-recourse to the credit of that Person, and in each of (a) through (j) above, includes any accrued and unpaid interest, premiums, penalties, fees, indemnities and other similar charges or obligations thereon;

“Independent Directors” means independent directors who qualify such requirements for qualification and appointment as specified under section 2 (47) of the Act;

“Investor” shall mean SINGAPORE VII TOPCO III PTE. LTD., a company duly incorporated under the laws of Singapore and having its principal place of business at 77 Robinson Road, #13-00 Robinson 77, Singapore 068896;

“Investor Director(s)” means all Directors nominated by the Investor from time to time in terms of Article 3.1 (b) of Part B of these Articles;

“Intermediaries” means one or more internationally recognized investment banks acting as global coordinators or advisors to the IPO, lead book running managers or in any similar capacity in respect of any IPO;

“IPO” means an initial public offering of Equity Shares, whether primary or secondary or a combination of both, and listing of the Equity Shares or any other Equity Securities on any recognized stock exchange (whether in India or abroad) acceptable to Investor at its sole discretion;

“Issuance Notice” has the meaning ascribed to it in Article 5.2(a) of Part B of these Articles;

“Key Managerial Persons” means, collectively, (a) the Sona KMPs; (b) the Comstar KMPs; and (c) and the Group CEO;

“Letter Agreement” has the meaning ascribed to it in the SSPA;

“Mandatory IPO” has the meaning ascribed to it in Article 7.3 of Part B of these Articles;

“Mandatory IPO Notice” has the meaning ascribed to it in Article 7.3 of Part B of these Articles;

“Memorandum of Association” means the memorandum of association of the Company, as may be amended from time to time;

“Minimum Drag Price” shall have the meaning ascribed to it in the SHA;

“Minimum Divestment Yield” shall have the meaning ascribed to it in the SHA;

“Minimum Enterprise Valuation” shall have the meaning ascribed to it in the SHA;

“Minimum SAHPL Yield” shall have the meaning ascribed to it in the SHA;

“Net Debt” means the Indebtedness of the Company (on a consolidated basis) minus cash and cash equivalents, in each case, as of the last day of the calendar quarter preceding the relevant date of determination;

“Net Debt to EBIDTA Ratio” means, the ratio that the Net Debt of the Company (on a consolidated basis) as of the last day of the calendar quarter preceding the relevant date of determination, bears to the EBIDTA of the Company (on a consolidated basis) for the 12 (twelve) month period ending on the same day;

“New Investor” has the meaning ascribed to it in Article 5.2(e) of Part B of these Articles;

“New Opportunity” has the meaning ascribed to it in the SHA;

“New Securities” has the meaning ascribed to it in Article 5.2 of Part B of these Articles;

“Non-Independent Directors” means the Directors other than the Independent Directors;

“Nominee Directors” means Investor Directors and the SAHPL Directors, as the case may be;

“Offer Acceptance Notice” has the meaning ascribed to it in Article 6.4(c) of Part B of these Articles;

“Offer Price” has the meaning ascribed to it in Article 6.2(a) of Part B of these Articles;

“OFS Component” has the meaning ascribed to it in Article 7.2(c) of Part B of these Articles;

“Permitted Issuance” means a Proposed Issuance which takes place at a pre-money equity value of the Company which is equal to or higher than the Minimum Enterprise Valuation *minus* the Net Debt, in each case, determined as of the last day of the calendar quarter preceding the date of issue of the Issuance Notice for such Proposed Issuance;

“PER Acceptance Notice” has the meaning ascribed to it in Article 5.2(b) of Part B of these Articles;

“PER Accepting Shareholder” has the meaning ascribed to it in Article 5.2(b) of Part B of these Articles;

“PER Offered Shareholder” has the meaning ascribed to it in Article 5.2 of Part B of these Articles;

“PER Response Period” has the meaning ascribed to it in Article 5.2(b) of Part B of these Articles;

“Person” means any individual, entity, joint venture, company, corporation, partnership, proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association or Governmental Authority, and includes their respective successors, legal representatives, administrators, executors and heirs, as the case may be, and in respect of a trust includes its trustee or trustees;

“Plan Asset Regulations” means the United States Department of Labor Regulation published at 29 C.F.R. section 2510.3-101;

“Promoter Offer Notice” has the meaning ascribed to it in Article 6.4(b) of Part B of these Articles;

“Promoter Offer Price” has the meaning ascribed to it in Article 6.4(b) of Part B of these Articles;

“Proposed Expansion” has the meaning ascribed to it in Article 5.1 of Part B of these Articles;

“Proposed Issuance” has the meaning ascribed to it in Article 5.2 of Part B of these Articles;

“Pro-Rata Share” means, in relation to any Person, the proportion that the number of Equity Shares (on a Fully Diluted Basis) held by such Person bears to the aggregate number of Equity Shares (on a Fully Diluted Basis) held by all the Shareholders (and, in the context of the Board and its committees, as rounded off to the nearest integer), provided however that:

- (a) for the purpose of calculating Pro-Rata Share, Equity Shares on a Fully Diluted Basis will be determined after ignoring the impact of options (including stock options) or warrants which are convertible, exercisable or exchangeable into Equity Shares; and
- (b) when ‘Pro-Rata Share’ is used in the context of some (and not all) of the Shareholders (such Shareholders collectively, the **Relevant Shareholders**), the reference in this definition to ‘Shareholders’ will be to the ‘Relevant Shareholders’;

“Proposed Sale” has the meaning ascribed to it in Article 6.2 of Part B of these Articles;

“Quarterly Financial Statements” means the quarterly unaudited financial statements of the Company or the Group Company, as the case may be, including, quarterly performance reports/ management review, income statements and statements of cash flows, for the three (3) month period ending on 30 June, 30 September, 31 December and 31 March of each year, in each case, as prepared by the management of the Company or the relevant Group Company, as the case may be;

“Refused New Securities” has the meaning ascribed to it in Article 5.2 (e) of Part B of these Articles;

“Related Party” has the meaning ascribed to it in section 2 (76) of the Act;

“Remaining New Securities” has the meaning ascribed to it in Article 5.2(c) of Part B of these Articles;

“Representatives” means in relation to a Person, its Affiliates, shareholders/ investors, and the directors, officers, managers, employees (including those on secondment), legal, financial and professional advisors, and bankers of such Person and its Affiliates;

“Reserved Matters” means each of the actions and matters set out in **Schedule 1** of these Articles;

“Response Period” has the meaning ascribed to it in Article 6.2(b) of Part B of these Articles;

“Restricted Divestment” means, any divestment of any assets of the Company (including, its investments in its subsidiaries) or the assets of the Company’s subsidiaries prior to the expiry of 6 (six) years from the Effective Date, in each case, where the value to be received by the Company exceeds INR 1,000,000,000 (Rupees One Billion), and where the actual proceeds of such divestment received by the Company or its relevant Subsidiary (for clarity, before taking into account the impact of any Tax expenses including, for distribution of funds to the Shareholders by the Company, or other transaction expenses including, brokerage, investment banking fees or advisors fees) is less than the Minimum Divestment Yield;

“Restricted Issuance” means, a Proposed Issuance which is not a Permitted Issuance;

“ROFR Acceptance Notice” has the meaning ascribed to it in Article 6.2(b) of Part B of these Articles;

“ROFR Notice” has the meaning ascribed to it in Article 6.2(a) of Part B of these Articles;

“ROFR Revival Date” has the meaning ascribed to it in Article 6.2(d) of Part B of these Articles;

“ROFR Securities” has the meaning ascribed to it in Article 6.2 of Part B of these Articles;

“SAHPL” means Sona Autocomp Holding Private Limited a company incorporated under the provisions of the Companies Act, 1956, and having its registered offices at GF19, Indraprakash, 21 Barakhamba Road, New Delhi-110001, India;

“SAHPL Directors” means all Directors nominated by SAHPL from time to time in terms of Article 3.1 (b) of Part B of these Articles;

“SEBI” means Securities and Exchange Board of India;

“Second Adjourned Board Meeting” has the meaning as set out in Article 3.1(n) of Part B of these Articles;

“SHA” means the shareholders’ agreement entered into by Investor, SAHPL, SK and the Company on 16 October 2018, as amended or modified from time to time;

“SHA Execution Date” means 16 October 2018;

“SK” means Mr. Sunjay Kapur;

“Shareholder” means any Person who holds any Equity Securities from time to time;

“Shareholder Matters” means, in respect of the Company, any and all matters or actions which, under Applicable Laws from time to time, are required to be duly and validly resolved, decided or approved by the Shareholders, or are otherwise referred by the Company to its Shareholders;

“SHBV” means Sona Holding B.V., a company incorporated under the laws of Netherlands, with the Trade Register number 14629516, and having its principal office at (1101 CM) Amsterdam, the Netherlands, Herikerbergweg 238, Luna Arena;

“Stake Sale” has the meaning ascribed to it in Article 6.4 of Part B of these Articles;

“Stake Sale Notice” has the meaning ascribed to it in Article 6.4(a) of Part B of these Articles;

“Sona Business” means the business of: (a) designing, manufacturing, assembling, testing, importing, exporting, buying, selling, distributing, servicing, repairing, stocking or warehousing, trading in, using, leasing or hiring, processing, installing,

reconditioning, refurbishing or overhauling: (i) automotive parts, components or related goods or accessories, (ii) all types of precision forgings, including items of ferrous and non-ferrous metals for application in automotive and related industries, (iii) precision castings, and precision machined components and assemblies for use in automotive and related industries (and all types, parts, components and accessories thereof and products related thereto), (iv) precision components and assemblies of all types, and parts components and accessories thereof and products related thereto in all types of precision forgings using all types of ferrous and non-ferrous metals for parts and components to be used in automotive and related industries, (v) dies, tools, fixtures for use in manufacturing of precision forgings, castings and components of all types, parts and components thereof including gears of all types, synchronizers, and any accessories thereof and materials, equipment and stores used in any relation thereof, and (vi) forgings and castings of all types, and all equipment materials and stores used therein or in any relation thereof; (b) design or offer technical services to industries on manufacture of precision forgings, castings and machined components and assemblies and thing related to project planning and implementation, project financing, project development, productivity related activities, quality upgradation, imports and exports; and (c) design, develop, test, sell, import, export or deal in plant and machinery required for the manufacture of precision forgings, castings, components and assemblies required in automotive and related industries and for all types, parts, components and accessories thereof and products related thereto;

“Sona Europe” means SHBV and SHBV’s direct or indirect subsidiaries;

“Sona Group” means SAHPL and SK collectively;

“Sona KMPs” means and includes (a) Vivek Vikram Singh (President - Finance and group COO), Vadapalli Vikram Verma (Executive Director and CEO), Ranganathan Balaji (COO), Narender Garg (General Manager – Engineering - II), Mathew Ninan Elanjickal (General Manager – Engineering - I), Rohit Nanda (Group CFO), and Raajesh Kumar Gupta (Vice President (Legal) & Company Secretary); (b) if the Proposed Merger is consummated, any positions held by or assigned to the abovementioned Persons in the Company (as the surviving entity); and (c) any Person who is a replacement to the designees mentioned in (a) or (b) above, or who holds any similar or equivalent designation from time to time;

“SSPA” means the share subscription and share purchase agreement dated 16th October 2018 executed amongst the Company, Investor, JM Financial Trustee Company Private Limited, a private limited company incorporated under the Companies Act, 1956, the appointed trustee for and on behalf of JM Financial India Fund (comprising of JM Financial India Fund – Scheme A and JM Financial India Fund – Scheme B), SAHPL and SK;

“Strategic Investor” means any Person operating, engaged in or carrying on the Business, either directly or through its Affiliates, but shall not include a financial investor that does not Control any such Person;

“Subject Securities” has the meaning ascribed to it in Article 6.3 of Part B of these Articles;

“Subsidiary” means, (a) all subsidiaries of the Company as defined in section 2(87) of the Act, and (b) all other Persons which are Controlled by the Company, and for clarity, including all existing and future Subsidiaries;

“Tag-Along Entitlement” means, the number of Equity Shares (on a Fully Diluted Basis) held by SAHPL, as is equal to $\{(X - Y) \div Z\} \times A$, where:

X is the aggregate number of Equity Shares (on a Fully Diluted Basis) held by SAHPL as on the date of delivery of the Transfer Notice;

Y is the aggregate number of Equity Shares held by SAHPL as on the date of delivery of the Transfer Notice, in respect of which SAHPL (or its Affiliate) did not exercise their Tag-Along Right in one or more Tag-Along Sale prior to the date of delivery of the applicable Transfer Notice (which for clarity, will be determined as the difference between the Tag-Along Entitlement of SAHPL in the previous Tag-Along Sale(s) and the actual number of Tagged Securities in such Tag Along Sale(s)).

Z is the aggregate number of Equity Shares (on a Fully Diluted Basis) held by the Investor and SAHPL, in each case, as on the date of delivery of the Transfer Notice; and

A is the number of Subject Securities (on a Fully Diluted Basis) proposed to be sold by the Investor in the Tag Along Sale, as specified in the Transfer Notice;

“Tag-Along Right” has the meaning ascribed to it in Article 6.3 of Part B of these Articles;

“Tag-Along Sale” has the meaning ascribed to it in Article 6.3 of Part B of these Articles;

“Tag Exercise Notice” has the meaning ascribed to it in Article 6.3(b) of Part B of these Articles;

“Tag Price” has the meaning ascribed to it in Article 6.3(a) of Part B of these Articles;

“Tag Response Period” has the meaning ascribed to it in Article 6.3(b) of Part B of these Articles;

“Tagged Securities” has the meaning ascribed to it in Article 6.3(b) of Part B of these Articles;

“Tax” means all applicable forms of taxation, duties, levies imposed and social security charges, whether direct or indirect, whether central, state or local, including, corporate income tax, capital gains tax, tax payable in a representative assessee capacity, service tax, goods and service tax, withholding tax, stamp duty and employee social security contributions, value added tax, customs and excise duties, capital tax and other legal transaction taxes, dividend withholding tax, dividend distribution tax, land taxes, environmental taxes and duties and any other type of taxes or duties payable by virtue of any applicable national, regional or local law or regulation and which may be due directly or by virtue of joint and several liability in any relevant jurisdiction; together with any interest, penalties, surcharges or fines relating to them, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction;

“Termination IPO Agreement” has the meaning as set out in Article 7.2(i) of Part B of these Articles;

“Third Party” means any Person which is not a shareholder of the Company or an Affiliate of any shareholder of the Company;

“Third Party Purchaser” means, any Person other than a Shareholder or its Affiliates;

“Transaction Documents” has the meaning as ascribed to it in the SSPA;

“Transfer” means to (directly or indirectly) sell, gift, give, assign, transfer, transfer any interest in trust, mortgage, alienate, hypothecate, pledge, Encumber, amalgamate, merge or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Equity Securities or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily, but does not include to transfer by way of testamentary or intestate succession;

“Transfer Notice” has the meaning ascribed to it in Article 6.3(a) of Part B of these Articles;

2. INTERPRETATION

For the purpose of Part B of these Articles, unless the context requires otherwise:

- (a) reference to any statute or statutory provisions will include references to such statute or statutory provision as amended, supplemented or re-enacted from time to time, and will include any subordinate legislation made under such statute or statutory provision (including, any rules, regulations, guidelines, circulars or notifications under such provision), and all statutory instruments or orders made pursuant to such statutory provisions;

- (b) words denoting the singular or plural shall also include the plural or singular respectively;
- (c) reference to any gender shall include all genders;
- (d) headings, sub-headings, titles, subtitles to Articles, sub-Articles and paragraphs are for information only and shall not form part of the operative provisions of Part B of these Articles and shall be ignored for the purpose of interpretation of Part B of these Articles;
- (e) references to days, months and years are to calendar days, calendar months and calendar years, respectively;
- (f) if an event must take place in terms of Part B of these Articles on a day that is not a Business Day, then such event must take place on the Business Day immediately following such stipulated day;
- (g) the words 'directly' or 'indirectly' mean directly, or indirectly through one or more intermediaries, agents, any Person effectively Controlled by that Person, or through contractual or other legal arrangements or by issuance of fresh Equity Shares to any Person in a manner that would allow such Person to have any right, title or interest (direct or indirect) in the subject matter (including, the Equity Securities) that he would not have otherwise had but for such action any references to consent or approval means such consent or approval obtained in writing;
- (h) any reference to 'writing' shall include printing, typing, lithography, transmissions by facsimile or in electronic form (including e-mail) and other means of reproducing words in visible form;
- (i) the words 'include' and 'including' are to be construed without limitation;
- (j) where a word or expression is defined, other parts of speech and grammatical forms and the cognate variations of that word or expression shall have corresponding meanings;
- (k) references to knowledge, information, belief or awareness of any Person shall be deemed to include the knowledge, information, belief or awareness such Person would have if such Person had made reasonable, due and careful enquiry, and in respect of a body corporate, shall be deemed to include the knowledge, information, belief or awareness of any of the directors, officers and authorised representatives of such body corporate (or persons having the ability to exercise similar powers or authorities in relation to the business or operations of such body corporate);

- (l) if any Adjustment Event occurs during the subsistence of the SHA (on or after the SHA Execution Date), all references to Equity Shares or Equity Securities (or any number or percentage of Equity Shares or Equity Securities) in the SHA, shall be deemed to be revised or adjusted in a manner such that the reference is to Equity Shares or Equity Securities (or the revised or adjusted number or percentage thereof) after taking into account the impact of such Adjustment Event on the Equity Shares or Equity Securities (as the case may be);
- (m) any reference to an Approval of any Person means such Approval obtained in writing from that Person;
- (n) the Schedule to Part B of these Articles shall form an integral part of Part B of these Articles, provided that, if there is any conflict or inconsistency between a provision in the body of Part B of these Articles and a provision in the Schedules, then the provisions in the body of Part B of these Articles shall prevail;
- (o) any reference herein to any ‘Article’ or ‘Schedule’ is to such “Article’ or ‘Schedule’ of Part B of these Articles;
- (p) reference to any agreement, deed or instrument in Part B of these Articles, means reference to such agreement, deed or instrument as amended, modified, supplemented or restated from time to time, in accordance with its terms;
- (q) all capitalised terms used but not defined in Part B of these Articles shall have the meaning ascribed to them under the SSPA;
- (r) Subject to the requirements of applicable Law, in the event of any conflict between the provisions of Part A and Part B of these Articles, the provisions of Part B of these Articles shall prevail and apply; and
- (s) Notwithstanding the provisions of Part A of these Articles, the Company and the Shareholders shall not be bound by, or subject to, any duties, obligations or covenants under Part A of these Articles where such provisions conflict in any manner with this Part B of these Articles;

3. CORPORATE GOVERNANCE

3.1 Board of Directors

- (a) Authority of the Board: Subject to the provisions of Part B of these Articles and the provisions of the Act, the Board will be responsible for the management, supervision, direction, oversight and control of the Company. Subject to compliance with Article 3.2 and Article 3.3 of Part B of these Articles below, the Board may create or constitute such other committees and delegate powers

to such committees or Persons as may be required by Applicable Law or as it deems fit to assist it in its functioning and carrying out the Business.

- (b) Composition of Board: The composition of the Board shall be as follows:
- (i) On and from the Effective Date, the Investor shall have the right at all times to appoint at least the majority of the Directors on the Board.
 - (ii) The Board will comprise of 9 (nine) Directors, or such other number of Directors as is agreed between the Investor and SAHPL in writing, as follows:
 - (A) the Investor will have the right (but not the obligation) to nominate up-to 5 (five) out of the 9 (nine) Directors, or if the size of the Board is modified, its Pro-Rata Share of the Non-Independent Directors (subject to Article 3.1(b)(i) of Part B of these Articles);
 - (B) SAHPL will have the right (but not the obligation) to nominate up-to 2 (two) out of the 9 (nine) Directors, or if the size of the Board is modified, its Pro-Rata Share of the total number of Non-Independent Directors; and
 - (C) two (2) Independent Directors, or such minimum number of Independent Directors as required under Applicable Laws (unless otherwise agreed between the Investor and SAHPL in writing).
 - (iii) Woman Director and resident Director. The Board shall at all times, have at least 1 (one) Director who is a resident Indian (as defined under the Act) and, if required under Applicable Laws, 1 (one) Director who is a woman.
- (c) Chairman:
- (i) SK, if he so chooses and if he is an SAHPL Director, will have a right to be appointed as the non-executive chairman of the Board, until the earlier of (A) SAHPL and its Affiliates, collectively holding less than 10% (ten percent) of the Equity Securities on a Fully Diluted Basis, or (B) SK's chairmanship having been terminated in terms of Article 3.1(c)(iv) of Part B of these Articles below, at any time after the Effective Date. Thereafter, the Board may appoint a chairman from time to time by simple majority. The chairman will not have a casting vote.
 - (ii) For as long as SK is acting as the non-executive chairman of the Board, his only role and responsibilities will be to:

- (A) engage with the customers (along with the other Key Managerial Persons and relevant employees of the Company);
 - (B) represent himself, the Company and its Subsidiaries in industry associations, forums, conferences and other business events;
 - (C) contribute and participate in the strategic planning for the Company and its Subsidiaries;
 - (D) contribute towards building and executing the vision, mission, values and culture of the Company and its Subsidiaries; and
 - (E) engage with the customers, employees and the other stakeholders of the Company in connection with the transactions under the Transaction Documents, subject to provisions of confidentiality as agreed to by the Company, SAHPL, SK and the Investor in writing, where applicable.
- (iii) For as long as SK is acting as the chairman of the Board, he will receive the remuneration as agreed to by the Company, SAHPL, SK and the Investor in writing and as amended from time to time in writing by the Company, SK and the Investor.
- (iv) The Board may terminate the engagement of SK as its chairman by passing a resolution to this effect, only on account of (A) any breach by SAHPL or SK of the provisions of Article 3.5 (*Voting Arrangement*) of Part B of these Articles, Article 6 (*Transfer*) of Part B of these Articles or Article 8.1 (*Non-compete*) of Part B of these Articles, which (if capable of being cured or remedied) has not been cured or remedied within 30 (thirty) days of such breach; (B) SK having been convicted of an offence of moral turpitude; (C) gross negligence or wilful misconduct; (D) fraud, misappropriation or embezzlement against the Company or its Subsidiaries; or (E) material breach of the duties of SK set out in Article 3.1(c)(ii) of Part B of these Articles above.
- (d) Retirement by Rotation: To the maximum extent permissible under Applicable Law, Investor Directors will be permanent directors, whose office will not be capable of being vacated by retirement or rotation. Where a Director is required to retire by rotation under Applicable Laws, such Director will be eligible for reappointment at the end of his term.

- (e) Alternate Director: Each of the Investor and SAHPL will have the right to nominate an alternate director (an **Alternate Director**) to be appointed by the Board in place of and to act for its respective Nominee Director. The Alternate Director will be entitled to exercise all rights and have all the privileges of the relevant Nominee Director in whose place such Alternate Director is appointed. Upon the appointment of an Alternate Director in accordance with the Act and Part B of these Articles, the Company will ensure compliance with the provisions of the Act, including filing necessary forms with the concerned Governmental Authorities.
- (f) Appointment and Election of Directors: The Directors will be appointed to the Board in accordance with Part B of these Articles. Each Shareholder will exercise its voting rights in relation to the Equity Securities held by it at any shareholders' meeting in a manner that ensures the appointment or re-appointment (if required) of the nominees of the respective Shareholders as Directors in accordance with the provisions of Article 3.1(b) to (e) of Part B of these Articles above (both inclusive). The nomination of a Nominee Director will take effect promptly upon a notification to the Company by the nominating Shareholder, and the Company shall take all steps as may be necessary to ensure appointment of such nominee to the Board, and no later than the next meeting of the Board.
- (g) Removal and Replacement of Directors: A Shareholder entitled to nominate a Nominee Director may require the removal or replacement of such Nominee Director from the Board, with or without cause, at any time. Each Shareholder will exercise its rights (including, voting rights) in a manner that causes the appointment, removal or replacement of such nominee as a Director in accordance with this Article 3.1 of Part B of these Articles. Except in accordance with the foregoing sentence or Article 3.1(c)(iv) of Part B of these Articles, no Shareholder of the Company from time to time will exercise its voting rights in relation to its Equity Securities for the removal of any Nominee Director in any other circumstances. If any vacancy of the position of a Nominee Director exists and no replacement is nominated by the nominating Shareholder, then such position on the Board will remain vacant.
- (h) Qualification Shares: None of the Directors (including, the Nominee Directors, the Alternate Directors and the Independent Directors) will be required to hold any qualification shares.
- (i) Expenses: The Company will reimburse all reasonable travel expenses, boarding and lodging expenses, communication expenses and other costs reasonably incurred by a Nominee Director or its Alternate Director for attending any meetings of the Board.
- (j) Non-Executive Directors. Unless otherwise agreed by the Investor in writing, the Investor Directors will be non-executive Directors. No Investor Director

(unless otherwise agreed to by the Investor in writing) or Independent Director will be responsible for the day to day management or affairs of the Company, or will be responsible for, or be designated to, ensure that the Company complies with the provisions of any Applicable Laws, other than to the extent that such liability or responsibility cannot be waived or delegated under Applicable Laws.

The Company will indemnify, to the maximum extent permissible under Applicable Laws, all its Directors against:

- (i) any act, omission or conduct of, or by, the Company, the Board, the committees of the Board, or employees or agents of the Company, as a result of which such Director is made a party to any Action arising out of, or relating to, such act, omission or conduct, or otherwise incurs a loss;
 - (ii) any act of such Director, or any failure to act by such Director, in each case, at the request of, or with the Approval of the Company; or
 - (iii) contravention of Applicable Law, and any Action taken against such Director in connection with such contravention or alleged contravention.
- (k) Directors' Access: All Directors, and each of their representatives will be entitled to examine the books, accounts and records of the Company and will have free access, at all reasonable times and with reasonable prior written notice, to the assets and properties of the Company. The Directors will have the right to request any information pertaining to the Business of the Company, which will be provided to them within a reasonable time by the Company, and no later than 3 (three) Business Days from the date of receipt of a written request.
- (l) Frequency and Location of Board Meetings: Meetings of the Board will take place at the registered office of the Company, or such other place as may be determined by the Board from time to time, subject to any requirements under Applicable Law. The Board will meet at least once in every calendar quarter during regular business hours on a Business Day, and at least 4 (four) such meetings will be convened every calendar year. Further, the intervening time between two consecutive meetings of the Board will not exceed 120 (one hundred twenty) days.
- (m) Notice:
- (i) A meeting of the Board may be called by any Director by giving notice in writing to the company secretary of the Company (or in his absence, to all Directors) specifying the date, time and agenda for such meeting. The company secretary will give a copy of such notice to all Directors, at least 7 (seven) days prior to the proposed date of the meeting, unless

such meeting is convened at a shorter notice with the consent of at least 1 (one) Investor Director and 1 (one) SAHPL Director. The notice will be accompanied by a detailed agenda, necessary background and all other related information and/or supporting documents pertaining to the business proposed to be transacted at such meeting. Any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board (including at any adjournments thereof) without the consent of at least 1 (one) Investor Director and 1 (one) SAHPL Director.

- (ii) Notice will be served to Directors at their respective addresses or by electronic mail, in each case, as notified by such Director to the Company at the time of his appointment or as may be communicated in writing to the company secretary prior to the issuance of such notice. Once a notice has been served, the agenda for the meeting of the Board will not be altered or expanded without the consent of at least 1 (one) Investor Director and 1 (one) SAHPL Director. It is clarified that the provisions of this Article 3.1 (m) (ii) of Part B of these Articles will apply *mutatis mutandis* to adjourned meeting of the Board.
 - (iii) If a meeting of the Board is convened on shorter notice in accordance with the provisions of Article 3.1(m)(i) of Part B of these Articles above, and an Independent Director is not present at such meeting, then to the extent mandatorily required under Applicable Laws, the resolutions passed by the Board at such meeting convened on shorter notice must be circulated to all Directors (including the Independent Directors) for ratification as soon as possible.
- (n) Quorum: The quorum for a meeting of the Board will be a minimum of 2 (two) Directors, or one third of the total Directors appointed on the Board, whichever is higher, provided, that such quorum will require the presence of at least 1 (one) Investor Director and 1 (one) SAHPL Director. If the quorum is not present within 30 (thirty) minutes of the time appointed for the meeting, or if during any meeting a quorum ceases to be present, then the meeting will stand adjourned and will be reconvened at the same time and place, 7 (seven) days later (or on such other date, time and place, as may be approved by at least one (1) Investor Director and one (1) SAHPL Director) (the **First Adjourned Board Meeting**). The Directors present at the First Adjourned Board Meeting will constitute quorum for such meeting, subject to any quorum requirements under the Act, provided however that, if the agenda for such First Adjourned Board Meeting includes any Reserved Matter, then only for the purposes of discussions on such Reserved Matter, quorum will require the presence of an SAHPL Director (unless SAHPL or an SAHPL Director have communicated their decision in respect of such Reserved Matter in writing prior to such First Adjourned Board Meeting). In connection with a Reserved Matter, if quorum is not present within 30 (thirty) minutes of the time appointed for the First Adjourned Board Meeting,

then the discussion on such Reserved Matter will stand adjourned, and the Board will be required to reconvene at the same time and place, 7 (seven) days later to discuss such Reserved Matter (the **Second Adjourned Board Meeting**). The Directors present at the Second Adjourned Board Meeting, subject to quorum requirements under the Act, will constitute quorum for such Second Adjourned Board Meeting, and may consider, vote on and decide on the Reserved Matter which was included in the agenda for the original meeting of the Board, provided that, SAHPL or an SAHPL Director may (prior to the date of the Second Adjourned Board Meeting) deliver a written communication to the Board requiring additional time for consideration of the Reserved Matter, subject to a maximum of an additional 21 (twenty one) days from the proposed date of the Second Adjourned Board Meeting. If SAHPL or an SAHPL Director have provided any communication in terms of the preceding sentence, then the Second Adjourned Board Meeting will be reconvened on (i) the date of expiry of the additional period requested by SAHPL or the SAHPL Director, or (ii) 21 (twenty one) days from the proposed date of the Second Adjourned Board Meeting, whichever is earlier, unless a later date is approved by at least one (1) Investor Director in writing.

- (o) Minutes: The company secretary will be responsible for maintaining minutes of each meeting of the Board (including, adjourned meetings of the Board) in the books and records of the Company in accordance with the Act. A copy of the minutes of each meeting will be delivered to all Directors as soon as practicable, and no later than 7 (seven) Business Days of the date of the meeting of the Board.
- (p) Voting: At any meeting of the Board (including, an adjourned meeting of the Board), each Director will exercise one vote. The adoption or approval of any resolution by the Board will require the affirmative vote of a simple majority of the Directors present at a duly constituted meeting of the Board (including, an adjourned meeting of the Board), provided that such simple majority includes the affirmative consent of at least 1 (one) Investor Director, or (if no Investor Director has been nominated to the Board or no Investor Director is eligible of voting on such matter) the written consent of the Investor has been obtained prior to the meeting of the Board.
- (q) Resolution by Circulation: Subject to Applicable Law, the Board may pass any resolution by circulation or in written form, provided such resolution has been circulated in draft format (together with the agenda, an explanatory statement setting out in reasonable details the rationale for proposing the resolution, information and appropriate documents required to reach a decision) to all Directors and such resolution has been approved in writing by a simple majority of Directors entitled to vote on the resolution, including an affirmative consent of at least (1) Investor Director or (if no such Investor Director is nominated) the Investor, in writing. Any circular or written resolution that does not comply

with the provisions of this Article 3.1(q) of Part B of these Articles will be *null and void*.

- (r) Telephonic/ Video Participation: To the extent permissible under Applicable Law, a Director may participate in a meeting of the Board by way of a video conference or other audio-visual means. Subject to fulfilling all necessary requirements under Applicable Law (which the Company shall procure), if a Director participates in a meeting of the Board by video conference or other audio visual means, such Director (i) will be deemed to have contributed towards the fulfillment of the applicable quorum requirements under Part B of these Articles and Applicable Law, and (ii) will be entitled to vote at such meeting as if he were participating in person. If Applicable Laws permit Directors to participate in meetings of the Board through any other means in future, including by means of a telephone conference, the Company shall, upon request of any Director, ensure that it complies with all requirements of Applicable Law to enable such Directors' participation through such means to the full extent permitted under Applicable Laws.
- (s) D&O Insurance: The Company shall ensure that it has obtained, renewed and maintained adequate directors' and officers' liability insurance for all the Directors, including the Nominee Directors and their Alternate Directors, as is the market practice for companies engaged in the Business, and as acceptable to the Investor (at its sole discretion).

3.2 **Committees**

- (a) The Board may, from time to time, constitute, reorganise or dissolve such committees of the Board as it may deem fit, subject to any mandatory requirements of Applicable Laws. The Board shall, in respect of each committee, determine their functions, responsibilities, powers and authorities. Unless otherwise agreed by the Investor in writing:
 - (i) the Investor will at all times have the right (but not the obligation) to nominate at least the majority of the members on all such committees;
 - (ii) subject to Article 3.2(a)(i) of Part B of these Articles above, each of the Investor and SAHPL will have a right to nominate up to their respective Pro-Rata Shares of the members on such committee;
 - (iii) if the Company is unable to comply with Article 3.2(a)(i) and (ii) of Part B of these Articles above on account of Applicable Law restricting or prohibiting such composition of a committee, then the Investor will have the right (but not the obligation) to (A) require that such committee comprises the maximum number of Investor Directors as permitted under Applicable Laws, or (B) if permissible under

Applicable Law, require the Board to dissolve such committee and all powers and responsibilities of such committee will thereafter be exercised by the Board.

- (b) Article 3.1(l) to Article 3.1(r) of Part B of these Articles will apply, *mutatis mutandis* to all committees of the Board as if references therein to ‘Directors’, ‘meetings of the Board’, ‘adjourned Board Meetings’, ‘First Adjourned Board Meeting’, ‘Second Adjourned Board Meeting’, ‘Nominee Director’, ‘Investor Directors’ and ‘SAHPL Director’ are references to ‘members of the committee’, ‘meeting of the committee’, ‘adjourned committee meetings’, ‘relevant Nominee Director appointed on the committee’, ‘relevant Investor Director’ and ‘relevant SAHPL Director’, respectively.

3.3 **Reserved Matter Rights**

- (a) Notwithstanding anything to the contrary in Part B of these Articles (except the provisions of Article 3.8 of Part B of these Articles below), the Company will not take any actions directly or indirectly (in one transaction or a series of related transactions) in respect of any of the Reserved Matters without:
 - (i) the prior written approval of SAHPL, or an affirmative vote of SAHPL’s representative at a meeting of the shareholders of the Company;
 - (ii) an affirmative vote of at least 1 (one) SAHPL Director at a meeting of the Board or approval by way of a circular resolution, or otherwise provided to the Company in writing; or
 - (iii) the approval of the Board at a duly convened Second Adjourned Board Meeting in the manner set out in Article 3.1(n) of Part B of these Articles above.
- (b) Any consent by SAHPL or SAHPL Director, in relation to any Reserved Matter in accordance with the provisions of this Article 3.3 of Part B of these Articles will apply only in relation to that Reserved Matter. No such consent will constitute, or be deemed to constitute, a general consent for any other Reserved Matter.

3.4 **Shareholders’ Meetings**

- (a) Notice: A meeting of the shareholders may be called by the Board by giving notice in writing to the company secretary, specifying the date, time and agenda for such meeting. The company secretary will promptly notify the same to all shareholders of the Company at least 21 (twenty-one) days prior

to the proposed date of the shareholders' meeting (or such other minimum period as may be prescribed under Applicable Law from time to time), unless a shorter notice period for such meeting is approved by the Investor and SAHPL. This notice will be accompanied by a detailed agenda, necessary background and all other related information and/or supporting documents pertaining to the business proposed to be transacted at the shareholders' meeting. Any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the shareholders (including at any adjournments thereof).

Notice will be served to the shareholders of the Company at their respective addresses or by electronic mail, in each case, as notified by such shareholder to the Company at any time prior to the relevant notice. Once a notice has been served, the agenda for the meeting of the shareholders will not be altered or expanded without the consent of the Investor and SAHPL. It is clarified that the provisions of this Article 3.4(a) of Part B of these Articles will apply *mutatis mutandis* to adjourned shareholders' meetings.

- (b) Conduct of Meetings: The Company will hold shareholders' meetings as and when deemed necessary and/ or as required under the Act, provided at least 1 (one) shareholders' meeting is held in each calendar year. No quorum of the first shareholders' meeting will be validly constituted without duly appointed representatives of the Investor and SAHPL. If such quorum is not present within 1 (one) hour from the time appointed for a shareholders' meeting or if during the shareholders' meeting, there is no longer such quorum, the shareholders' meeting will stand adjourned and will be reconvened at the same time and place, 7 (seven) days later. Each shareholder will be given prompt notice of such adjournment in writing. The members / representatives of the shareholders present at the adjourned meeting of the Shareholders, subject to quorum requirements under the Act, will constitute valid quorum for such adjourned meeting of the Shareholders.
- (c) Chairman: SK (if he is present at a shareholders' meeting), or in his absence, any other Director present at the shareholders' meeting, shall be appointed as the chairman for the shareholders' meeting in accordance with Applicable Law. The chairman shall not have a casting vote.
- (d) Voting Rights: At any shareholders' meeting, each Equity Share shall carry 1 (one) vote, *provided that*, where any Shareholder holds any CCPS, each Shareholder shall have voting rights on such number of Equity Shares at a shareholders' meeting so as to ensure that all of the Shareholders have voting rights in the Company to the extent of their respective ownership of Equity Shares (assuming the CCPS have been converted into Equity Shares in accordance with their terms), and each Shareholder would be deemed to have abstained from voting in respect of any Equity Shares held by it which result in such Shareholder holding voting rights in excess of its entitlement

determined by assuming that such CCPS have been converted into Equity Shares in accordance with their terms. Further, to the extent that a Reserved Matter has not been discussed or resolved at a meeting of the Board in accordance with the provisions of Article 3.1 of Part B of these Articles above, and such Reserved Matter has been presented to the shareholders at the Shareholders Meeting, the affirmative consent of SAHPL (in writing) or an approval of the authorised representative of SAHPL at the shareholder's meeting will be required (in the manner set out in Article 3.3 of Part B of these Articles above) to duly or validly approve such Reserved Matter.

3.5 **Voting Arrangements**

SAHPL hereby acknowledges and recognises the mutual benefit of acting together with the Investor in exercising its rights under Part B of these Articles or under Applicable Laws in respect of any Shareholder Matters. To this end, SAHPL hereby irrevocably covenants and undertakes to the Investor that:

- (a) SAHPL shall, and shall ensure that its authorised representatives, at all times vote along with the Investor (or its authorised representative), and for clarity, exercise all voting rights under Part B of these Articles or Applicable Laws in respect of the Equity Securities held by them, in the same manner in which the Investor (or its authorised representatives) exercises the voting rights available to it in respect of the Equity Securities held by it under Part B of these Articles or Applicable Laws;
- (b) if SAHPL is unable to exercise any voting rights in the manner set out in Article 3.5 (a) of Part B of these Articles above on account of any mandatory operation of Applicable Laws, SAHPL will either (i) abstain from attending any meeting of the shareholders where the Shareholder Matter or any incidental, consequential or ancillary matters thereto are tabled or put to vote, or (ii) abstain from voting in respect of its Equity Securities (at a physical meeting, by postal ballot or electronically) on any resolution of the Shareholders in respect of the Shareholder Matters and all incidental, consequential and ancillary matters thereto; and
- (c) to the maximum extent permissible under Applicable Laws, SAHPL will cause the SAHPL Directors to vote in a manner similar to the vote cast by Investor Directors in respect of any resolution or matter pertaining to the Shareholder Matters and all incidental, consequential and ancillary matters thereto;

In each of Article 3.5(a) to (c) of Part B of these Articles above, provided that:

- (1) nothing contained in this Article 3.5 of Part B of these Articles will apply to a Reserved Matter, or obligate SAHPL or an SAHPL Director to exercise its rights in respect of a Reserved Matter in a manner similar to the Investor or an Investor Director (as the case may be); and
- (2) If the Company proposes to distribute dividends to, or repurchase Equity Shares from (including, pursuant to any buyback or capital reduction scheme) the Shareholders on a proportionate basis (i.e. in accordance with their respective Pro-Rata Shares), then, the Board will, in good faith, consult with SAHPL and the Investor prior to recommending such a distribution or repurchase to the Shareholders for approval at a shareholders' meeting. The obligations of SAHPL under Article 3.5 (a) to (c) of Part B of these Articles above will continue to apply in respect of any Shareholder Matter dealing with any distributions on, or repurchase of Equity Securities, as long as such distribution or repurchase is proposed to be made on the basis of the Pro-Rata Shares of the Shareholders.

3.6 **Complete Effect**

Each Shareholder shall (a) vote with respect to the Equity Securities held by it and where such Shareholder is a Director, in its capacity as a Director, and (b) to the maximum extent permissible under Applicable Law, to cause its Nominee Directors on the Board to vote, in each of (a) and (b) above, in conformity with the specific terms and provisions of Part B of these Articles and to give complete legal effect to the provisions of Part B of these Articles and the other Transaction Documents. The Company, SAHPL, SK and the Investor will use their best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Applicable Law to consummate or implement expeditiously the transactions contemplated by, and the agreements and understanding contained in Part B of these Articles and the other Transaction Documents. Without prejudice to the foregoing, the Shareholders will vote with respect to their Equity Securities and will take all other action necessary or required, to ensure that at all times, Part B of these Articles require (i) an affirmative vote or consent of Investor Director in the manner set out in Article 3.1(p), (ii) an affirmative vote or consent of SAHPL or an SAHPL Director in relation to each of the Reserved Matters in the manner set out in Article 3.3 of Part B of these Articles, and (iii) the Shareholders to comply with the provisions of Article 3.5 of Part B of these Articles.

3.7 **Sona Europe**

- (a) The Company shall not, on and from the Effective Date waive, suspend, alienate or otherwise dispose of any of its rights, remedies or causes of action in connection with Sona Europe, under the Europe Separation Agreement, Applicable Law or otherwise in any manner, without the prior written consent of the Investor, or with the approval of at least one (1) Investor Director.

- (b) Subject to Article 3.7(a) of Part B of these Articles above, the Company shall act, and take all actions in connection with Sona Europe under the Europe Separation Agreement in accordance with the directions of the Board, provided that, the SAHPL Directors on the Board shall not have a right to vote in respect of all such matters, and all such decisions may be passed by a simple majority of the Directors (excluding the SAHPL Directors).

3.8 **Fall Away of Rights**

- (a) Notwithstanding anything to the contrary contained in Part B of these Articles, after the occurrence of a Fall Away Event, all management and governance rights available to SAHPL under Part B of these Articles, including, 3.1(b) (*Composition of Board*), 3.1(m) (*Notice*), 3.1(n) (*Quorum*), 3.1(q) (*Resolution by Circulation*), 3.2 (*Committees*), 3.3 (*Reserved Matter Rights*) and 3.4(b) (*Conduct of Meetings*), shall fall away.
- (b) Immediately, upon occurrence of the Fall Away Event, the SAHPL Directors on the Board shall be deemed to have resigned from the date of occurrence of such Fall Away Event, unless otherwise agreed to between SAHPL and the Investor in writing. SAHPL shall ensure that the SAHPL Directors submit their resignation letters (in a form agreed to by the Investor) to the Company and any other documents as may be required under Applicable Law to give effect to the resignation.

4. **INFORMATION, ACCESS RIGHTS AND COVENANTS**

4.1 **Inspection Rights**

The Company and each Group Company will allow the Investor, its Affiliates and their employees, lawyers, accountants, professional advisors and authorised representatives, and SAHPL and SK and their lawyers, accountants and professional advisors, the right to (a) access and inspect the books, accounting records, corporate, financial and other records, reports, contracts and commitments of the Company or the Group Company, as applicable, and make extracts and copies therefrom at their own expense, and (b) fully access all of the Company's and the Group Companies' properties and assets, during normal business hours and with 1 (one) day notice (or such shorter period as may be required by the Investor to effectively exercise its rights hereunder). The Company or the Group Company, as applicable, will instruct its officers and employees to promptly provide all information and explanations to the Investor, SAHPL, SK and/ or their Authorized Representatives as they may reasonably request. Notwithstanding the foregoing, SAHPL and SK shall not have the right to initiate or require an audit exercise on the Company (including through their lawyers, accountants and professional advisors), other than to the extent available under the Act.

4.2 Reports

The Investor and SAHPL will have the right to receive, and the Company and each Group Company will furnish to the Investor and SAHPL, the following information:

- (a) Audited Financial Statements for each Financial Year within 60 (sixty) days of the end of such Financial Year;
- (b) Quarterly Financial Statements, as certified by the chief executive officer of the Company or the relevant Group Company, within 30 (thirty) days of the end of each quarter;
- (c) monthly income statement for the Company and the Group Companies, including a monthly report on the key performance indicators agreed in writing between the Company and the Investor from time to time, within 15 (fifteen) days of the end of each month;
- (d) quarterly written statement setting out a summary of the status of all pending Actions filed by or against the Company and the Group Companies as at the end of each three-month period ending on 30 June, 30 September, 31 December and 31 March of every year, within 15 (fifteen) days of the end of such quarter;
- (e) any information in relation to the resignation of any Key Managerial Persons, promptly upon such resignation and no later than 5 (five) Business Days from the date of such resignation being received by the Company or the Group Company, as the case may be;
- (f) copies of minutes of meetings of the Board, meetings of Board committees, and shareholders' meetings of the Company, within 7 (seven) Business Days of such meetings;
- (g) details of any events, occurrences or circumstances which may have a material impact on the Company, the Group Companies or the Business, promptly upon the knowledge of any Key Managerial Person of such event, fact or circumstance, and no later than a period of 5 (five) Business Days of such event, fact or circumstance coming to the knowledge of such Key Managerial Person; and
- (h) details of any material Action initiated against the Company or any Group Company by any customer or any Governmental Authority, within 5 (five) Business Days of such dispute being notified to the Company or the relevant Group Company.

4.3 **Group Companies**

- (a) Rights in Group Companies. All of the rights and obligations of the Investor and SAHPL with respect to the Company (including, any rights relating to the Reserved Matter, obligations under Article 3.5 of Part B of these Articles (if relevant), information rights and board representation rights) under Part B of these Articles or any other document governing the inter-se relationship between the Shareholders, will be available to both the Investor and SAHPL with respect to each Group Company, in a manner and to the extent that such rights are available to the Investor or SAHPL (as applicable) in the Company, *provided that:*
- (i) where Applicable Laws do not require the Group Company to have any independent directors, the Board composition of such Group Company will comprise only of directors nominated by the Investor and SAHPL;
 - (ii) where the Group Company is not a wholly owned Subsidiary, the Investor and SAHPL will have a right to nominate up-to their Pro-Rata Share of the total number of directors which may be nominated by the Company on the board of directors of such Group Company; and
 - (iii) all voting rights in respect of any equity securities held by the Company in such Group Companies (directly or indirectly) shall be exercised in a manner determined by the Board (and no such voting rights shall be allocated directly to the Investor or SAHPL).

The Company will ensure and procure that the Investor and SAHPL are able to directly exercise all their rights in any Group Company in the same manner as set out in Article 3 of Part B of these Articles (*Corporate Governance*), and the memorandum of association and articles of association of such Group Company provide (at all times) for the Investor and SAHPL to directly exercise their respective rights under this Article 4.3(a) of Part B of these Articles. The rights of SAHPL in the Group Companies, pursuant to this Article 4.3(a) of Part B of these Articles shall fall away upon occurrence of a Fall Away Event.

4.4 **Appointment and Termination of Key Managerial Persons**

The Board shall appoint the Key Managerial Persons (including the Group CEO), in accordance with the rights of SAHPL and the Investor as set out in this Article 4.4 of Part B of these Articles.

- (a) Group CEO.

- (i) The Company and the Subsidiaries shall appoint a Group CEO as soon as practicable after the Effective Date in the manner set out in this Article 4.4(a) of Part B of these Articles. The Group CEO shall report directly to the Board and shall be responsible for delivering of the long-term business plan and the annual budget for the Company and its Subsidiaries, as approved by the Board from time to time. The Board and the nomination and the remuneration committee (if any) will be responsible for performance reviews of the Group CEO and the actions thereby as may be required from time to time.
- (ii) SAHPL shall have the right to nominate an individual for the position of the Group CEO, in writing, to the Investor and the Company, and such nomination shall have been made by SAHPL on or prior to the Effective Date.
- (iii) Upon receiving the notice specified in Article 4.4(a)(ii) of Part B of these Articles above, the Investor may, within a period of 30 (thirty) days of the Effective Date, accept or reject the nomination made by SAHPL for the Group CEO (acting reasonably, and after following its own internal process), and in case of a rejection, provide reasons in writing. If the Investor rejects the nomination made by SAHPL, or if SAHPL does not nominate any individual within the time period specified in Article 4.4(a)(ii) of Part B of these Articles above, the Investor may at any time thereafter (at its discretion), identify and nominate an individual for the position of the Group CEO, by giving a written notice to the Company.
- (iv) If the Investor accepts the nomination of SAHPL or the Investor nominates an individual, in accordance with Article 4.4(a)(iii) of Part B of these Articles above such determination of the Investor will be binding on the Company, and the Board shall take all steps as may be necessary to appoint the nominee approved or identified by the Investor as the Group CEO. On and from the date of appointment of the first Group CEO, the chief executive officer of the Company and the chief executive officer(s) of the Comstar Entities will report directly to the Group CEO.
- (v) After the first Group CEO is appointed, if the position of the Group CEO becomes vacant at any time prior to the occurrence of a Fall Away Event, the process set out in this Article 4.4(a) of Part B of these Articles shall be followed once again for appointment of the replacement to the Group CEO, and the time period within which SAHPL must propose its nominee under Article 4.4(a)(ii) of Part B of these Articles to the Investor will be deemed to be a period of 30 (thirty) days from the earliest of (A) the Group CEO tendering its resignation to the Company in writing; or (B) the Company terminating

the appointment of the Group CEO, or (C) the date on which the position of the Group CEO becomes vacant for any other reason.

(b) Appointment and Termination of Key Managerial Persons

- (i) All decisions in relation to the appointment or termination of the Key Managerial Persons (other than the Group CEO) from time to time shall, subject to the deadlock provisions set out in Article 4.4(b)(ii) of Part B of these Articles below, be taken with the approval of at least 1 (one) SAHPL Director and 1 (one) the Investor Director on the Board.
- (ii) If the appointment or termination of any Key Managerial Person (other than the Group CEO) is referred to the Board, and the Board is unable to resolve on such matter on account of a deadlock between the Investor Directors and the SAHPL Directors, then the Investor Directors and SAHPL Directors will discuss in good faith and engage with each other to resolve the deadlock within 3 (three) months from the date that such matter was first referred to the Board (including, during the interim period between two meetings of the Board). If such deadlock is not resolved between the relevant Investor Directors and the SAHPL Directors within the 3 (three) month period (such that the relevant Key Managerial Person may be appointed or terminated at the next meeting of the Board), the Investor will consult with SK and take a decision taking into account such discussions in good faith, and such decision of the Investor shall be final and binding on the Board and the Company, and the Board shall pass necessary resolutions to give effect to the appointment or termination of the relevant Key Managerial Person (as the case may be).

4.5 ESOP Scheme

The Company and the Shareholders shall take all steps as may be necessary to adopt and implement an ESOP Scheme for the benefit of the directors, officers and employees of the Company, the Comstar Entities and any of their Group Companies from time to time.

4.6 Compliance with Laws

- (a) Unless otherwise approved by the Investor in writing, the Group CEO (once appointed) or the chief executive officer of each of the Company and the Comstar Entities (prior to appointment of the Group CEO) will be responsible for ensuring compliance with all Applicable Laws in the conduct of the Business.

4.7 Day to Day Operations

The Company and SAHPL agree, acknowledge and confirm that the Investor is a financial investor and is not, and will not be, and the Investor Directors are not and will not be, responsible for day-to-day management of the operations and affairs of the Company or its Business, and such responsibility will at all times remain with, the Key Managerial Persons.

4.8 **Comstar Seller**

The Company shall take all actions in connection with its rights under the Comstar SPA, in accordance with the directions of the Board, provided that, (a) where the Company has an indemnity claim against the Comstar Seller under the Comstar SPA, and (b) in the circumstances set out in clause 7.1(a) of the Comstar SPA, the Company shall in each of (a) and (b) above, act in accordance with the decision and instructions of a simple majority of the Directors (excluding the Investor Directors), and the Investor Directors will not have a right to vote on such matters.

5. **FURTHER FUNDING**

5.1 **Funding for Mergers and Acquisitions and Growth Capex**

If the Board proposes to undertake or pursue any new investments, acquisitions or mergers (including any New Opportunity referred by the Investor to the Company, if applicable), or any growth capital expenditures, either through the Company or its Subsidiaries, (each such proposal, a **Proposed Expansion**), then unless otherwise agreed between the Investor and SAHPL, in writing, any and all capital requirements of the Company or its Subsidiaries for such Proposed Expansion, shall be funded in the following order of priority:

- (a) first, from internal cash accruals of the Company or its Subsidiaries;
- (b) second, to the extent permitted and practicable under Applicable Laws, from proceeds of loans or other credit facilities (including, any debt securities) raised by the Company from any Person, provided that the Net Debt to EBIDTA Ratio of the Company (on a consolidated basis) does not exceed 3 (three), after taking into account the impact of such Proposed Expansion (including, (if applicable) the EBIDTA and/or Net Debt of the target entity which is the subject matter of such Proposed Expansion); and
- (c) third, from the proceeds of a Proposed Issuance in accordance with the provisions of Article 5.2 of Part B of these Articles below.

5.2 Pre-Emption Rights

If the Company proposes to raise any funds by issuing (such issue, a **Proposed Issuance**) any Equity Securities (of any type or class) (the **New Securities**) to any Person, then Investor and SAHPL (each a **PER Offered Shareholder**) will have the first right (but not the obligation) to acquire all or part of their inter-se Pro-Rata Share of the New Securities, and all or part of the New Securities which remain unsubscribed by the other Shareholders in accordance with the provisions of this Article 5 of Part B of these Articles.

- (a) Notice: The Company will, prior to the Proposed Issuance deliver a notice in writing (the **Issuance Notice**) to the PER Offered Shareholders, setting out:
 - (i) the proposed terms and conditions for the Proposed Issuance, including, the price per New Security to be issued in such issuance; and
 - (ii) such PER Offered Shareholder's Pro-Rata Share of the amount proposed to be raised in such Proposed Issuance.

- (b) Exercise of Rights: Within 15 (fifteen) days of the date of delivery of the Issuance Notice (the **PER Response Period**), each PER Offered Shareholder may provide a written notice to the Company (**PER Acceptance Notice**), specifying that it intends to subscribe to its entire or part of its Pro-Rata Share of the New Securities (the **Accepted New Securities**). Each Shareholder which delivers such PER Acceptance Notice is hereinafter referred to as a **PER Accepting Shareholder**.

- (c) Remaining New Securities: If a PER Offered Shareholder (i) does not deliver a PER Acceptance Notice within the PER Response Period, or (ii) has not agreed to subscribe to all of its Pro-Rata Share of the Proposed Issuance, then, the Company will send a notice to the PER Accepting Shareholders within 1 (one) Business Day of the expiry of the PER Response Period, informing the PER Accepting Shareholder (who has agreed to subscribe to its entire Pro-Rata Share of the Proposed Issuance) of the amount of the New Securities which remain available for subscription (**Remaining New Securities**). Such PER Accepting Shareholder may, within a period of 10 (ten) days of receipt of the notice under this Article 5.2(c) of Part B of these Articles, communicate its decision to the Company in writing to acquire all or part of the Remaining New Securities. If such PER Accepting Shareholder agrees to acquire any Remaining New Securities, then, for the purpose of this Article 5.2 of Part B of these Articles, all references to Accepted New Securities in the context of the PER Accepting Shareholder will include references to the portion of the Remaining New Securities that the PER Accepting Shareholder has agreed to subscribe to, in addition to any Accepted New Securities specified in the PER Acceptance Notice delivered by such PER Accepting Shareholder in terms of Article 5.2(b) of Part B of these Articles above.

- (d) Issuance: The Company will complete the issuance of the Accepted New Securities to all of the PER Accepting Shareholders simultaneously with each other, and by the later of: (i) expiry of thirty (30) days from the delivery of the Issuance Notice, and (ii) the date on which any Refused New Securities are subscribed to by the New Investor in accordance with Article 5.2(e) of Part B of these Articles below, provided that, where the subscription to a Proposed Issuance requires any prior Governmental Approvals, the time period for all subscriptions under this Article 5.2(d) of Part B of these Articles will be extended until the expiry of 7 (seven) Business Days from the date of receipt of the last of such Governmental Approvals.
- (e) Issuance to New Investor: If any New Securities remain unallocated or unsubscribed by a PER Accepting Shareholder in accordance with the provisions of this Article 5.2 (a) to (d) of Part B of these Articles above (such, New Securities, the **Refused New Securities**), then the Company may offer such Refused New Securities to any Person (a **New Investor**), provided that, the price per New Security (on a Fully Diluted Basis) and the terms on which the New Securities are issued to the New Investor are no more favourable to the New Investor than those offered to the PER Offered Shareholders in the Issuance Notice.
- (f) Revival: If, in connection with a Proposed Issuance:
- (i) the Company does not issue all of the Accepted New Securities to the PER Accepting Shareholders within the periods stipulated in Article 5.2 (d) of Part B of these Articles above; or
 - (ii) the Company has not entered into binding agreements with a New Investor for subscription to the Refused New Securities within a period of 190 (one hundred and ninety) days from the expiry of the PER Response Period; or
 - (iii) the New Investor fails to subscribe to the Refused New Securities within the time periods or in the manner stipulated in the binding agreements entered into between the Company and the New Investor for such transaction, subject to all other conditions or requirements for such subscription to take place having been met;
- then, the rights of the PER Offered Shareholders in respect of such Proposed Issuance will be revived, and the Company will be required to once again comply with the provisions of this Article 5.2 of Part B of these Articles prior to issuing any New Securities to a New Investor.
- (g) Subject to Article 5.2(i) of Part B of these Articles below, the Company shall not issue any Equity Securities in a Proposed Issuance (directly or indirectly)

without ensuring full compliance with the provisions of this Article 5.2 of Part B of these Articles, and if issued without complying with this Article 5.2 of Part B of these Articles, such Proposed Issuance shall be null and void.

- (h) New Investors. If any New Securities are issued to a New Investor, such New Investor shall be required to enter into a deed of adherence to the SHA, agreeing to be bound by all of the obligations of the Shareholders' under Part B of these Articles.
- (i) Applicability. The provisions of this Article 5.2 (*Pre-emption*) of Part B of these Articles will not apply to any issuance of Equity Securities (a) in an IPO in accordance with Part B of these Articles, or (b) pursuant to the ESOP Scheme, or (c) pursuant to the Proposed Merger (if applicable); or (d) any issuance in accordance with the terms of the SSPA (including any conversion of the CCPS (if any) issued to Investor).

6. TRANSFERS

6.1 General

- (a) The Investor shall have the right to freely Transfer any Equity Securities held by it to any Third Party Purchaser, subject only to compliance with Article 6.3 (*Tag-Along Right*) of Part B of these Articles, if applicable.
- (b) SAHPL may Transfer its Equity Securities to any Third Party Purchaser subject to compliance with the provisions of Article 6.2 (*Right of First Refusal*) of Part B of these Articles, provided that, SAHPL shall not, without the prior written consent of the Investor:
 - (i) Transfer any Equity Securities held by it to any Strategic Investor; or
 - (ii) create, or permit to subsist, any Encumbrance on the Equity Securities held by it in favour of any Person, other than (A) in favour of a financial institution in connection with any Indebtedness for business purpose of SAHPL (or its Affiliates) or the Company; and (B) the Encumbrances set out in this Article 6 of Part B of these Articles;

For clarity, if the Investor approves (in writing) any Transfer of Equity Securities to a Strategic Investor, any such Transfer shall take place only after full compliance with Article 6.2 of Part B of these Articles (*Right of First Refusal*).

- (c) No Transfer of any Equity Securities shall take place, either directly or indirectly, and the Board shall not register any Transfer of any Equity Securities, unless such Transfer complies with the provisions of Part B of

these Articles, including, this Article 6 of Part B of these Articles, and Applicable Laws.

- (d) Any Transfer of Equity Securities which violates this Article 6 of Part B of these Articles (directly or indirectly) shall be void *ab initio* and the Company shall not in any way give effect to or register any such impermissible Transfer.
- (e) No restriction on Transfer contained in Articles 6.1 (a) to (d) of Part B of these Articles above, Article 6.2 and Article 6.3 of Part B of these Articles will apply to any Transfer of Equity Securities:
 - (i) between Investor (on the one hand) and SAHPL (on the other hand);
 - (ii) by the Investor to any of its Affiliates, provided that, (A) if such Affiliate ceases to be an Affiliate of the Investor at any time after the Transfer of the Equity Securities, the Affiliate shall, and the Investor shall cause such Affiliate to, Transfer all (and not part) of the Equity Securities held by it back to the Investor with immediate effect to ensure continuous compliance with the provisions of this Article 6 of Part B of these Articles; and (B) upon such Transfer to an Affiliate, the Investor and its Affiliate to whom it has Transferred any of the Equity Securities, shall be jointly and severally responsible for all of the obligations of, and shall be subject to the same restrictions applicable to, the Investor under Part B of these Articles and the other Transaction Documents, and any notices delivered by the Sona Group to the Investor under Part B of these Articles and the other Transaction Documents shall be deemed to have been delivered to the Investor and its Affiliates holding any Equity Securities;
 - (iii) by SAHPL to any of its Affiliates, provided that, (A) if such Affiliate ceases to be an Affiliate of SAHPL at any time after the Transfer of the Equity Securities, the Affiliate shall, and SAHPL shall cause such Affiliate to, Transfer all (and not part) of the Equity Securities held by it back to SAHPL with immediate effect to ensure continuous compliance with the provisions of this Article 6 of Part B of these Articles; and (B) upon such Transfer to an Affiliate, SAHPL and its Affiliate to whom it has Transferred any of the Equity Securities, shall be jointly and severally responsible for all of the obligations of, and shall be subject to the same restrictions applicable to, SAHPL under Part B of these Articles and the other Transaction Documents, and any notices delivered by the Investor to SAHPL under Part B of these Articles and the other Transaction Documents shall be deemed to have been delivered to SAHPL and its Affiliates holding any Equity Securities;

- (iv) in any Drag Sale in accordance with Article 6.5 of Part B of these Articles; and
- (v) in an IPO in accordance with Article 7 of Part B of these Articles (including, any secondary placement by Investor in accordance with Article 7.2(d)) of Part B of these Articles.

6.2 **Right of First Refusal**

If SAHPL proposes to Transfer all or part of the Equity Securities held by it (the **ROFR Securities**) to a Third Party Purchaser and receives a binding offer from such Third Party Purchaser for the Transfer of such ROFR Securities (a **Proposed Sale**), then, the following provisions shall apply:

- (a) **Notice:** SAHPL will deliver a written notice of such Proposed Sale (**ROFR Notice**) to the Investor at least 30 (thirty) days prior to the Proposed Sale. The ROFR Notice must specify: (i) the number and kind of ROFR Securities being Transferred; (ii) the identity of the Third Party Purchaser, and a undertaking that such Person is not a Strategic Investor; (iii) the price per Equity Share (calculated on a Fully Diluted Basis) offered by the Third Party Purchaser to SAHPL (**Offer Price**) and the aggregate consideration being offered by the Third Party Purchaser for the Proposed Sale; (iv) copy of the binding offer (or if available, the definitive agreements) entered into with the Third Party Purchaser, which must set out the terms and conditions for the Proposed Sale, including sufficient details of the representations, warranties and indemnities agreed to be provided by SAHPL (or its Affiliates) in such Proposed Sale; (v) the proposed date of consummation of the Proposed Sale (which shall be no less than 30 (thirty) days from the date of delivery of the ROFR Notice); and (vi) a representation that the Third Party Purchaser has been informed of the rights of the Investor *vis a vis* SAHPL under Part B of these Articles.

The ROFR Notice will be valid for a period of 30 (thirty) days from its date of delivery to the Investor and will constitute an irrevocable offer by SAHPL to sell all, but not less than all, of the ROFR Securities to the Investor at the Offer Price and on the terms and conditions set out in the ROFR Notice.

- (b) **Exercise:** Within 30 (thirty) days of the date of delivery of the ROFR Notice (the **Response Period**), Investor may (either by itself or through its Affiliates) agree to purchase all, but not less than all, of the ROFR Securities on the terms set forth in the ROFR Notice, by delivering a written notice to SAHPL (**ROFR Acceptance Notice**).
- (c) **Irrevocable Acceptance:** If the Investor delivers a ROFR Acceptance Notice, then SAHPL shall be irrevocably bound and obligated to sell, and the Investor shall be irrevocably bound and obligated to purchase from SAHPL,

all the ROFR Securities at the Offer Price and on the terms and conditions set out in the ROFR Notice, on or before the expiry of 60 (sixty) days of delivery of the ROFR Acceptance Notice, provided that where the Transfer of the ROFR Securities to the Investor requires any prior Governmental Approvals, this period will be extended to the date falling 7 (seven) Business Days from the date of receipt of the last of such Governmental Approvals.

- (d) Sale Consummation: If the Investor does not deliver a valid ROFR Acceptance Notice within the Response Period, then, SAHPL will be free to sell all (but not less than all) of the ROFR Securities to the Third Party Purchaser, on terms and conditions which are no more favourable to the Third Party Purchaser as compared to the terms and conditions offered to the Investor in the ROFR Notice, within 60 (sixty) days of the expiry of the Response Period (**ROFR Revival Date**). Provided, however, that where the closing/ consummation of such Transfer of ROFR Securities to the Third Party Purchaser requires any prior Governmental Approvals, the ROFR Revival Date will be extended to the date falling 7 (seven) Business Days from the date of receipt of the last of such Governmental Approvals.
- (e) Revival: If SAHPL has not completed the sale of ROFR Securities to the Third Party Purchaser, on or prior to the ROFR Revival Date for any reason whatsoever, the ROFR Notice will be void *ab initio*, and SAHPL will be required to once again comply with the provisions of this Article 6.2 of Part B of these Articles prior to consummating a sale of any of the ROFR Securities.
- (f) Representations and Warranties: The receipt of consideration by SAHPL for the sale of any ROFR Securities to the Investor, pursuant to this Article 6.2 of Part B of these Articles will be deemed to be a representation and warranty that: (i) SAHPL has full right, title and interest in and to such ROFR Securities; (ii) SAHPL has the power and authority and has taken all necessary actions to sell and authorise the sale of such ROFR Securities to the Investor without contravention of any Applicable Laws or any contracts by which it is bound; (iii) such ROFR Securities are free and clear of any and all Encumbrances; and (iv) SAHPL and its Representatives shall be bound by Article 8 of Part B of these Articles (*Non-Compete and Non-Solicitation*). In addition, SAHPL will be deemed to have provided to the Investor all representations, warranties and indemnities agreed to be provided by SAHPL (or its Affiliates) to the Third Party Purchaser in the definitive documents or binding offer (as the case may be) for such Proposed Sale.

6.3 **Tag-Along Right**

Subject to Article 6.4 of Part B of these Articles below, where applicable, if, at any time prior to the IPO of the Equity Shares, the Investor proposes to Transfer all or part of the Equity Securities held by it to a Third Party Purchaser (the **Subject Securities**),

and it receives a binding offer from any Third Party Purchaser to do so (such sale, a **Tag-Along Sale**), then SAHPL will have the right (but not the obligation) to sell up to its Tag-Along Entitlement in the Tag-Along Sale, in the manner set out in this Article 6.3 of Part B of these Articles (**Tag-Along Right**).

- (a) Notice: the Investor will deliver a notice in respect of the Tag-Along Sale to SAHPL at least 30 (thirty) days prior to the Tag-Along Sale (the **Transfer Notice**). The Transfer Notice must specify: (i) the number and kind of Subject Securities being sold; (ii) the price per Equity Share (calculated on a Fully Diluted Basis) offered by the Third Party Purchaser to the Investor (**Tag Price**) and the aggregate consideration being offered by the Third Party Purchaser for the Tag-Along Sale; (iii) the proposed date of consummation of the Tag Along Sale (which shall not be less than 30 (thirty) days from the date of delivery of the Transfer Notice); (iv) the Tag-Along Entitlement of SAHPL; (v) identity of the Third Party Purchaser; and (vi) the other terms and conditions (if any) on which the Tag-Along Sale will take place, including if available at the time of delivery of the Transfer Notice, details of the representations, warranties and indemnities to be provided to the Third Party Purchaser.
- (b) Exercise: SAHPL may exercise its Tag-Along Right within 15 (fifteen) days of the date of delivery of the Transfer Notice (the **Tag Response Period**) by delivering a written notice to the Investor (**Tag Exercise Notice**), specifying the aggregate number of Equity Shares (on a Fully Diluted Basis), not exceeding its Tag-Along Entitlement (such specified number, the **Tagged Securities**), that SAHPL wishes to sell to the Third Party Purchaser, at the Tag Price and on the terms and conditions specified in the Transfer Notice.
- (c) Irrevocable Acceptance: Upon delivery of a Tag Exercise Notice, (i) SAHPL shall be irrevocably bound and obligated to sell its Tagged Securities; and (ii) the Investor shall be irrevocably bound and obligated to sell the Subject Securities, as reduced in accordance with Article 6.3(d)(ii) of Part B of these Articles below, in each case, to the Third Party Purchaser at the Tag Price and on the terms and conditions specified in the Transfer Notice, provided that, the Investor shall at all times have the ability to discontinue the entire Tag-Along Sale at any time prior to the consummation of any sale of the Subject Securities to the Third Party Purchaser.
- (d) Sale Consummation: The closing/ completion of the sale and purchase of the relevant number of Subject Securities by the Investor, and, if applicable, the Tagged Securities of SAHPL will take place simultaneously, at the Tag Price, and on terms and conditions set out in the Transfer Notice, as follows:
 - (i) if SAHPL does not deliver a Tag-Exercise Notice within the Tag Response Period, the Investor will be free to sell all, but not less than all, of the Subject Securities to the Third Party Purchaser; and

- (ii) if SAHPL delivers a Tag-Exercise Notice within the Tag Response Period, then (A) if the Third Party Purchaser agrees to purchase an aggregate number of Equity Securities equal to sum of the total number of Subject Securities being sold by the Investor in the Tag-Along Sale and the total number of the Tagged Securities of SAHPL, then the Investor shall be permitted to sell all of the Subject Securities proposed to be sold by the Investor and SAHPL will be entitled to sell all of the Tagged Securities proposed to be sold by SAHPL in such Tag-Along Sale, and (B) if the Third Party Purchaser refuses to purchase an aggregate number of Equity Securities equal to the total number of Subject Securities being sold by the Investor in the Tag-Along Sale and the total number of the Tagged Securities of SAHPL, then (1) the total number of Equity Securities to be purchased by the Third Party Purchaser in such Tag-Along Sale will be reduced to the maximum number of Equity Securities that such Third Party Purchaser is willing to purchase and (2) the total number of Subject Securities to be sold by the Investor and the total number of Tagged Securities of SAHPL to be sold to the Third Party Purchaser will be reduced proportionately so that the aggregate number of Equity Securities to be sold to such Third Party Purchaser equals such maximum number; provided that, the Investor shall at all times have the ability to discontinue the entire Tag-Along Sale at any time prior to the consummation of any sale of the Subject Securities to the Third Party Purchaser.

The Investor shall not proceed with a sale of any of the Subject Securities to the Third Party Purchaser without complying with this Article 6.3 of Part B of these Articles.

- (e) Revival. If the Tag-Along Sale to the Third Party Purchaser is not completed or consummated within 30 (thirty) days of the expiry of the Response Period, then the Transfer Notice in respect of such Tag-Along Sale will be void *ab initio*, and the provisions of this Article 6.3 of Part B of these Articles must be once again complied with prior to any sale of Equity Securities to the Third Party Purchaser. Provided that, where the closing of such sale to the Third Party Purchaser requires any prior Governmental Approvals, such time period will be extended to the date falling 7 (seven) Business Days from the date of receipt of the last of such Governmental Approvals.
- (f) Representations and Warranties: The receipt of consideration by SAHPL for the sale of the Tagged Securities to the Third Party Purchaser, pursuant to this Article 6.3 of Part B of these Articles will be deemed to be a representation and warranty that: (i) SAHPL has full right, title and interest in and to such Tagged Securities; (ii) SAHPL has the power and authority and has taken all necessary actions to sell and authorise the sale of the Tagged Securities to the Third Party Purchaser without contravention of any Applicable Laws or any contracts by which it is bound, and (iii) such Tagged Securities are free and clear of any and all Encumbrances. In addition, SAHPL will be required to provide the same

representations, warranties, indemnities and undertakings to the Third Party Purchaser in relation to the Tagged Securities, as are being provided by the Investor in relation to the sale of its Subject Securities in the Tag-Along Sale, including undertaking any non-compete or non-solicit restrictions as may be agreed between the Investor and the Third Party Purchaser in connection with such Tag-Along Sale. Further, where the Investor has agreed any caps in respect of its indemnity obligations towards the Third Party Purchaser, the indemnity obligations of SAHPL towards the Third Party Purchaser will also be capped proportionately, i.e., on the basis of the same proportion that the Investor's indemnity cap (for the same or similar obligation) bears to the total consideration being received by the Investor in such Tag-Along Sale.

Notwithstanding anything to the contrary in Part B of these Articles:

- (1) nothing in this Article 6.3 of Part B of these Articles will apply after the completion of an IPO of the Equity Shares; and
- (2) Transfer for the purpose of this Article 6.3 of Part B of these Articles shall not include (a) any Encumbrances (direct or indirect) created over the Equity Securities held by the Investor in connection with any Indebtedness availed by the Investor or its Affiliates, and (b) indirect Transfer of Equity Securities arising out of any Transfer (including by way of redemption) of the interests held by the investors or limited partners at a fund level.

6.4 Stake Sale

The Investor may, at any time after the Effective Date, initiate a process for a sale of all or part of the Equity Securities of the Company, subject to the inclusion of at least a majority of the Equity Securities held by the Investor in the Company in the proposed sale (such sale, a **Stake Sale**).

- (a) In connection with any Stake Sale, the Investor may (at its discretion) deliver a notice to SAHPL (the **Stake Sale Notice**) stating its intent to initiate the process for the Stake Sale.
- (b) Upon receipt of the Stake Sale Notice, SAHPL may within 30 (thirty) days of such receipt, provide a binding offer to the Investor to purchase all (and not part) of the Equity Securities held by the Investor (the **Promoter Offer Notice**). The Promoter Offer Notice must: (i) specify the aggregate price that SAHPL is offering to pay for all of the Equity Securities held by the Investor, and the price per Equity Share (calculated on a Fully Diluted Basis) (the **Promoter Offer Price**); (ii) provide the comprehensive package setting out all of the terms and conditions of the offer, including all required representations, warranties and indemnities; (iii) specify the source of funds and provide sufficient evidence to the Investor of the availability of the funds to consummate the acquisition of all of the Equity Securities held by the Investor (to the reasonable satisfaction of

the Investor); and (iv) confirm that Sona Group and the Company shall unconditionally release, discharge and waive any and all claims, causes of action, rights and remedies they have, or may have, against the Investor and the Investor Directors with effect from completion of the sale of all of the Equity Securities held by the Investor to SAHPL. The Promoter Offer Notice will constitute an irrevocable offer by SAHPL to purchase all of the Equity Securities held by the Investor at the Promoter Offer Price and on the terms and conditions set out therein.

- (c) Upon receipt of the Promoter Offer Notice, the Investor may require SAHPL to deliver such additional information or documents as reasonably deemed necessary by the Investor to evaluate the offer to the Investor's satisfaction. The Investor may, within 180 (one hundred and eighty) days after the receipt of the Promoter Offer Notice, at its absolute discretion, deliver a notice (**Offer Acceptance Notice**) agreeing to sell all of its Equity Securities to SAHPL in the terms set out in the Promoter Offer Notice. In the event, the Investor does not deliver the Offer Acceptance Notice within the prescribed time period, it shall be deemed to be a rejection of the Promoter Offer Notice by Investor. Upon delivery of the Offer Acceptance Notice, SAHPL shall be obligated to purchase and the Investor shall be obligated to sell, all of the Equity Securities held by the Investor, at the Promoter Offer Price within 90 (ninety) days of the date of delivery of the Offer Acceptance Notice, *provided that* if any Governmental Approvals are required for such Transfer, such period may be extended to the date falling 7 (seven) Business Days from the date of receipt of such Governmental Approval.
- (d) For avoidance of doubt, nothing contained in this Article 6.4 of Part B of these Articles shall:
 - (i) restrict or be deemed to restrict the Investor from engaging with any prospective purchaser (including any Drag Purchaser), or any intermediaries or advisors in connection with the proposed Stake Sale; or
 - (ii) apply to any sale of Equity Securities where the Investor proposes to sell only the Equity Securities held by it and, the Investor will be required to comply with only Article 6.3 of Part B of these Articles (*Tag-Along Right*) in respect of such sale, or
 - (iii) obligate Investor to deliver a Stake Sale Notice in respect of a proposed Stake Sale.

6.5 Drag Right

Notwithstanding anything to the contrary contained in Articles 6.1 to 6.3 of Part B of these Articles above, but subject to Article 6.4 of Part B of these Articles above, the Investor shall have the right (exercisable at its discretion) (the **Drag Right**) to require SAHPL to Transfer the Dragged Securities to any Person (the **Drag Purchaser**), in any Stake Sale along with the Equity Securities held by the Investor (such Stake Sale, a **Drag Sale**) in the manner provided in this Article 6.5 of Part B of these Articles.

- (a) Drag Exercise: If, in connection with any Stake Sale, the Investor (at its discretion) decides to proceed with a sale of the Equity Securities to a Drag Purchaser, including if SAHPL has not delivered a valid Promoter Offer Notice within 30 (thirty) days of the delivery of the Stake Sale Notice, then, the Investor may, at any time, deliver a notice to SAHPL (the **Drag Notice**) requiring SAHPL to proceed with a sale of all (and not less than all) of the Dragged Securities in accordance with the provisions of this Article 6.5 of Part B of these Articles.
- (b) Drag Notice: If the Investor delivers a Drag Notice in accordance with Article 6.5(a) of Part B of these Articles above, such Drag Notice shall specify: (i) the identity of the Drag Purchaser, (ii) the total number and type of Dragged Securities, (iii) the price per Equity Share (on a Fully Diluted Basis) at which such Drag Sale shall take place (the **Drag Price**), provided that such price shall not be less than the Minimum Drag Price or the price at which the Investor is selling its Equity Securities to the Drag Purchaser, whichever is higher; (iv) the proposed date of closing of the Drag Sale, which shall be at least 30 (thirty) days after the date of delivery of the Drag Notice; and (v) the other terms and conditions (if any) on which the Drag Sale will take place;
- (c) Irrevocable Obligation: Upon delivery of the Drag Notice, SAHPL shall be irrevocably bound and obligated to sell to the Drag Purchaser (along with the Equity Securities held by the Investor) all of the Dragged Securities, at the Drag Price, provided that, the Investor may (at its discretion) at any time in writing, withdraw the Drag Notice and release SAHPL from the obligation to sell the Dragged Securities. There shall be no consideration (by whatever name called) other than the Drag Price payable to SAHPL or any of its Affiliates in connection with such Drag Sale.
- (d) In any Drag Sale:
 - (i) the Dragged Securities will be Transferred to the Drag Purchaser on the same terms and conditions as the Equity Securities being sold by the Investor to the Drag Purchaser; and

- (ii) the Drag Purchaser will be obligated to purchase the Equity Securities held by the Investor and the Dragged Securities on the same day, and if practicable, simultaneously.
- (e) In connection with a Drag Sale, SAHPL hereby agree to do all such things as may be necessary to assist the Investor in completing the Drag Sale, including:
 - (i) by providing all necessary documents and information required for any valuation exercise by any independent valuer (nominated by the Investor) or any due diligence exercise proposed to be carried out by or on behalf of the Drag Purchaser, including, in respect of the Equity Securities held by SAHPL;
 - (ii) obtaining all requisite Approvals (including, any Governmental Approvals); and
 - (iii) entering into agreements relating to the Drag Sale, as may be required by Investor (in writing) and co-operate in making all necessary filings in connection with the Transfer of the Equity Securities to the Drag Purchaser in such Drag Sale.
- (f) In the event that SAHPL fails to comply with any of its obligations under this Article 6.5 of Part B of these Articles in respect of a Drag Sale, then, without prejudice to the rights and remedies of the Investor under Part B of these Articles, law, equity or otherwise, SAHPL hereby expressly authorises the Investor to act in the capacity of an agent and/ or an attorney in fact of SAHPL, and take all actions, and do all such acts, deeds and things, as may be required or considered necessary to give full effect to Drag Sale (including, entering into any binding agreements on behalf of SAHPL for the purpose of such Drag Sale), and SAHPL hereby expressly waives all rights and remedies as may be available to it under Applicable Law or otherwise in connection with the exercise of the aforementioned powers by the Investor.
- (g) Representations and Warranties: The receipt of consideration by SAHPL for the sale of the Dragged Securities to the Drag Purchaser, pursuant to this Article 6.5 of Part B of these Articles will be deemed a representation and warranty that: (i) SAHPL has full right, title and interest in and to such Dragged Securities; (ii) SAHPL has the power and authority and have taken all necessary actions to sell and authorise the sale of the Dragged Securities to the Drag Purchaser without contravention of any Applicable Laws or any contracts by which they are bound, and (iii) the Dragged Securities are free and clear of any and all Encumbrances. In addition, SAHPL will be required to provide the same representations, warranties, indemnities and undertakings to the Drag Purchaser in relation to the Dragged Securities as are being provided by the Investor in relation to the sale of the Equity

Securities held by it in the Drag Sale, including undertaking any non-compete or non-solicit restrictions as may be agreed to between the Investor and the Drag Purchaser in connection with such Drag Sale. Further, where the Investor has agreed any caps in respect of its indemnity obligations towards the Drag Purchaser, the indemnity obligations of SAHPL towards the Drag Purchaser will also be capped proportionately, i.e., on the basis of the same proportion that the Investor's indemnity cap (for the same or similar obligation) bears to the total consideration being received by the Investor in such Drag Sale.

- (h) Notwithstanding anything to the contrary contained in Part B of these Articles,
- (i) SAHPL shall not, under any circumstances, Transfer any of the Equity Securities held by it in any manner, except as provided for in this Article 6.5 of Part B of these Articles after the delivery of a Stake Sale Notice;
 - (ii) the Tag-Along Rights of SAHPL under Article 6.3 of Part B of these Articles will not apply in respect of any Transfer of Equity Securities by the Investor in a Drag Sale;
 - (iii) the provisions of this Article 6.5 of Part B of these Articles shall fall away upon the occurrence of an IPO of the Equity Shares in accordance with the terms of Part B of these Articles;
 - (iv) if the Investor has delivered an Offer Acceptance Notice, and SAHPL does not consummate the purchase of the Equity Securities within the timelines specified in Article 6.4(c) of Part B of these Articles, above (otherwise than on a default by Investor), then (without prejudice to the rights and remedies available to the Investor as a result of such breach) the Investor shall be entitled to deliver the Drag Notice in the manner set out in this Article 6.5 of Part B of these Articles and initiate a Drag Sale where SAHPL may be required to sell its Equity Securities to a Drag Purchaser at any price determined by the Investor (at its sole discretion), and the Minimum Drag Price in such event will be deemed to be zero; and
 - (v) the rights of the Investor in respect of a Stake Sale and a Drag Sale under Part B of these Articles may be exercised by the Investor one or more times, and the provisions of Article 6.4 and Article 6.5 of Part B of these Articles shall apply to each such exercise by the Investor. The Company and SAHPL expressly acknowledge that no prior exercise of the Stake Sale or Drag Right by the Investor will, in any manner whatsoever, restrict or prejudice the subsequent exercise of the Stake Sale or Drag Right by it.

6.6 Deed of Adherence

SAHPL and the Investor shall cause each Person to which it proposes to Transfer any Equity Securities, including any of its Affiliates to whom it Transfers any Equity Securities, to execute a Deed of Adherence simultaneously with such Transfer substantially in the form as agreed to between the Company, SAHPL, SK and the Investor, which shall be executed only between the transferor and the transferee, and copy of such Deed of Adherence will be delivered to each of the Company, SAHPL, SK and the Investor. For avoidance of doubt, (a) the Shareholders specifically agree and acknowledge, that upon a Transfer of any Equity Securities by a Shareholder to any of its Affiliates, all references in this Article 6 of Part B of these Articles to such Shareholder, either as a Shareholder, the Sona Group, or SAHPL shall include references to the Affiliate of such Person to whom any Equity Securities have been Transferred, and all calculations involving Equity Securities held by a Shareholder shall include Equity Securities held by such Shareholder and any Affiliates of such Shareholder to whom any Equity Securities have been Transferred; and (b) the non-receipt of the Deed of Adherence by any of the Company, SAHPL, SK or the Investor (or their failure to acknowledge receipt) shall not in any manner invalidate the Deed of Adherence or the relevant Transfer (as long as such Transfer took place in accordance with the terms of Part B of these Articles).

6.7 Further Assurances

- (a) Each of the Company, SAHPL, SK and the Investor shall take or cause to be taken, all such actions as may be necessary or reasonably requested in order to expeditiously consummate each sale to which it is a party under the terms of Part B of these Articles, and any related transactions, including executing, acknowledging and delivering consents, assignments, waivers and other documents or instruments, furnishing information and copies of documents, filing applications, reports, returns, filings and other documents or instruments with Governmental Authorities and otherwise cooperating with the Company, SAHPL, SK and/or the Investor, as relevant. Unless Applicable Law requires otherwise, it shall be the responsibility of the selling party to ensure and procure that all relevant Governmental Approvals are obtained in an expeditious manner in relation to any Transfer pursuant to the provisions of Part B of these Articles.
- (b) No Shareholder shall Transfer any Equity Securities of the Company to any Person who lacks the legal right, power or capacity to own Equity Securities.
- (c) The Transfer restrictions contained in Part B of these Articles shall not be capable of being avoided by holding the Equity Securities indirectly through a Person that can itself be Transferred in order to indirectly dispose of an interest in the Equity Securities free of any restrictions under Part B of these Articles, and any such Transfer or purported Transfer shall be deemed to be *void ab initio*.

7. INITIAL PUBLIC OFFERING

7.1 The Board may at any time after the Effective Date, if it deems fit, complete an IPO of the Company, in accordance with the provisions of Article 7 of Part B of these Articles below. It is clarified that, the provisions of Article 7.2 of Part B of these Articles below will apply to each instance where an IPO is proposed by the Company, and will not be restricted to any specific or one-time exercise of any or all of the IPO rights.

7.2 In the event of an IPO of the Company, the following provisions will apply:

- (a) Cooperation: In any IPO exercise, the Company, SAHPL, SK and the Investor shall take such steps, and extend such reasonable co-operation to each other and the Intermediaries appointed by the Company for the purpose of the IPO, each of whom shall be appointed with the prior written consent of the Investor. Without limiting the generality of the foregoing, SAHPL shall take all such steps, and extend all such reasonable co-operation to the Company, the Investor and the Intermediaries as may be required for the purpose of expeditiously making and completing the IPO, including (i) preparing and signing the relevant offer documents by the relevant persons; (ii) conducting road shows with adequate participation of SK and senior management of the Company and SAHPL; (iii) entering into appropriate and necessary agreements with Intermediaries and other third parties; (iv) providing all necessary information and documents necessary to prepare the offer documents; (v) complying with Applicable Laws relating to the IPO; (vi) making all filings with appropriate Governmental Authorities; and (vii) obtaining any regulatory or other Approvals in relation to the IPO.
- (b) Mode of IPO: The terms and conditions of the IPO (including, price band, issue size and number of Equity Shares to be issued or offered for sale), will be determined by the Company in consultation with the Intermediaries, and must be acceptable to the Investor (in its discretion).
- (c) OFS Component: The Investor will have the right to (at its discretion) determine the component of the offer-size which should comprise a sale of the Equity Shares held by the Shareholders, in consultation with the Intermediaries with regard to the market conditions at the time of the IPO (such component of the offer size, the **OFS Component**). In an IPO with an OFS Component (regardless of whether all or part of the offer size comprises the OFS Component):
 - (i) Investor will, in priority to all other Shareholders, have the right (but not the obligation) to offer for sale in the OFS Component, up-to 25% (twenty five percent) of the Equity Shares of the Company on a Fully Diluted Basis;

- (ii) if the OFS Component exceeds 25% (twenty five percent) of the Equity Shares on a Fully Diluted Basis of the Company or if the Investor does not participate to the full extent set out in Article 7.2(c)(i) of Part B of these Articles above, then SAHPL shall have the right (but not the obligation) to sell up-to 5% (five percent) of the Equity Shares on a Fully Diluted Basis; and
 - (iii) if the OFS Component exceeds 30% (thirty percent) of the Equity Shares on a Fully Diluted Basis, then the Investor may allocate such portion of the OFS Component exceeding 30% (thirty percent) of the Equity Shares between the Investor and SAHPL in such manner as it deems fit, and SAHPL shall have the right (but not the obligation) to tender Equity Shares up to the portion allocated to it by the Investor.
- (d) Secondary Placement: If the Investor wishes to make any secondary placement of its Equity Securities to institutional investors/funds, i.e., as a part of a pre-IPO placement between the filing of the draft red herring prospectus and a final red herring prospectus with the Governmental Authorities under Applicable Laws, the Company will take all necessary steps and do all such acts, deeds and things as may be necessary to facilitate such secondary placement.
- (e) Costs and Expenses: The Company and the Investor shall share the costs, fees and expenses relating to the Offer (except for the listing fees, which shall be borne by the Company) in accordance with Applicable Laws, in proportion to the number of Equity Shares issued and/or Transferred by each of the Company and the Investor in the Offer, respectively. Further, all interest borne, and expenses incurred by the Company on behalf of the Investor (if any) to the extent of the Equity Shares offered by the Investor in the Offer, will be adjusted or reimbursed by the Investor to the Company, in accordance with Applicable Laws. Provided that the Investor will not be liable for any costs, fees and expenses in relation to the Offer, in the event the Offer is withdrawn and/or not completed, including on account of a failure to receive listing or trading approvals and all such fees and expenses in such case shall be borne by the Company.
- (f) Promoter in the IPO: SAHPL shall be referred to or be considered as a 'promoter' of the Company and the Equity Securities held by SAHPL shall be subject to any lock-in requirements and minimum contribution requirements applicable to a 'promoter' or any member of the 'promoter group' under Applicable Laws, including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. If pursuant to any Applicable Laws or discussions with SEBI, SK is required to be named or identified as a 'promoter' or a part of the 'promoter group' of the Company in connection

with an IPO, then the Company, SAHPL, SK and the Investor shall in good faith, discuss and explore the inclusion of SK as a 'promoter' or part of the 'promoter group' in respect of the IPO (including, in any filings required to be made with SEBI).

- (g) Investor Not a 'promoter': the Investor shall not, unless otherwise agreed by the Investor in writing, be referred to or be considered as a 'promoter' of the Company (including, for avoidance of doubt, a part of the 'promoter group') in connection with any IPO or any documents filed in connection therewith. Nothing contained in Part B of these Articles shall require the Investor to do or omit to do anything that may result in the Investor becoming a 'promoter' of the Company or a part of the 'promoter group' under the Applicable Laws including, under any regulations of SEBI. Unless mandatorily required under Applicable Law, the Company shall not classify or name the Investor as a 'promoter' of the Company or a part of the 'promoter group' and subject to Applicable Law, the Equity Securities held by them shall not be subject to any lock-in requirements applicable to a 'promoter' or any member of the 'promoter group' under Applicable Laws including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Without prejudice to the foregoing, if the Investor is required to be classified as a 'promoter' or a 'promoter group' for any reason, then the Investor and SAHPL shall enter into good faith discussions to evaluate potential options or structures to ensure that the Investor is not classified as a 'promoter' or a 'promoter group' and SAHPL and the Company shall take all such actions as may be reasonably necessary to implement such option or structures.
- (h) Survival of Rights post IPO: All rights of the Company, SAHPL, SK and the Investor which can survive after an IPO under Applicable Laws, will survive such IPO. If any such right of the Investor or SAHPL cannot survive after the completion of an IPO either due to a mandatory operation of Applicable Law or due to any prohibition (communicated in writing) by the SEBI or any stock exchange on which the Equity Shares are sought to be listed, the Company, SAHPL, SK and the Investor will negotiate in good faith and agree in writing (the **Termination IPO Agreement**) on the terms and conditions pursuant to which such rights shall cease, with minimum possible prejudice to SAHPL or the Investor (as the case may be). If any of the rights available to the Investor or SAHPL ceases to be available as a result of the Termination IPO Agreement but the IPO is not completed for any reason within the time periods stipulated in the Termination IPO Agreement, all of the rights of the Investor or SAHPL (as the case may be) under Part B of these Articles will immediately stand automatically reinstated, with full force and effect.

7.3 Mandatory IPO: If an IPO has not occurred prior to the expiry of 7 (seven) years from the Effective Date, SAHPL shall have the right, but not the obligation, exercisable by written notice to the Company and the Investor (the **Mandatory IPO Notice**), to

require the Company to pursue an IPO (the **Mandatory IPO**), as soon as practicable, and in any event within a maximum period of twelve (12) months of the date of the Mandatory IPO Notice, and the terms and conditions set out in Article 7.2 of Part B of these Articles+ above in respect of an IPO shall *mutatis mutandis* apply to a Mandatory IPO. The rights of SAHPL to cause a Mandatory IPO shall fall away upon the earlier of: (a) the occurrence of a Fall Away Event, (b) the delivery of an Offer Acceptance Notice by the Investor, (c) if SAHPL breaches any of its obligations under Article 6.5 of Part B of the Articles (*Drag Sale*); and (c) the Investor having delivered one or more Transfer Notice(s) to SAHPL (as a Tag-Along Recipient) to sell all (and not part) of the Equity Securities held by it, but SAHPL not having delivered a Tag Exercise Notice in such Tag-Along Sale(s) for its entire Tag-Along Entitlement. Further, SAHPL's right to initiate a Mandatory IPO in accordance with this Article 7.3 of Part B of these Articles will be deemed to have been suspended during the period between the issuance of a Drag Notice and (i) the date of consummation of a Drag Sale, unless such Drag Notice has been withdrawn by the Investor, or (ii) the date falling on the expiry of 6 (six) months from the date of issuance of the Drag Notice, whichever is earlier.

SCHEDULE 1

RESERVED MATTERS

The following is a list of the Reserved Matters:

1. Amending or modifying any provision of, or waiving any rights under, these Articles or Memorandum of Association or the memorandum of association or the articles of association of any Subsidiary (including, if applicable, Comstar Entities), in each case, except (a) as specifically provided for in Part B of these Articles, or (b) in connection with the implementation of any transaction contemplated under Part B of these Articles which does not otherwise trigger a Reserved Matter.
2. Entering into any transaction with any Related Party of the Investor, including, (a) any management agreement, partnership, joint venture, profit sharing arrangement or similar arrangement with a Related Party of the Investor, and (b) creating any Subsidiary and / or joint venture with a Related Party of the Investor.
3. Declaring, paying or making any dividends or other distributions (whether in cash, securities, property or other assets) to the Shareholders, or any redemption or repurchase of Equity Securities, in each case, in a manner which is preferential to any specific Shareholder, i.e. which is not on the basis of the Pro-Rata Shares of the Shareholders, and in respect of Equity Securities other than Equity Shares, is not in accordance with the terms and conditions of such Equity Securities at the time of their issuance (or terms and conditions which have been previously approved by the Shareholders in accordance with the terms of Part B of these Articles).
4. Commencement of a voluntary winding up or liquidation of the Company or any Subsidiary (other than in connection with the Proposed Merger).
5. Incorporation of a new Subsidiary, other than for the purposes of any Proposed Expansion.
6. Amending, or modifying the terms of the ESOP Scheme (including, any increase in the pool for the ESOP Scheme), or creating, amending, modifying any new employee stock option plan or similar employee incentive plan (including, any phantom stock plan), for any employees of the Company, the Comstar Entities or its Subsidiaries.
7. Restricted Issuances, except any issuance of Equity Securities (a) pursuant to the ESOP Scheme, (b) in connection with an IPO, (c) pursuant to the Proposed Merger (if applicable) or (d) in terms of the SSPA (including any conversion of the CCPS issued to the Investor (if any)).
8. Any change in the total size of the Board specified in Article 3.1(b) or as previously approved by the Investor (or Investor Directors) and SAHPL (or the SAHPL Directors) in terms of Part B of these Articles.

9. Changing any material accounting policy of the Company or its Subsidiaries other than as required in connection with any mandatory operation of Applicable Laws.
10. Appointing any firm other than an Approved Firm as the statutory auditors of the Company or its Subsidiaries.
11. Incur any Indebtedness, as a result of which, the Net Debt to EBIDTA Ratio of the Company (on a consolidated basis) exceeds 4 (four), or creating any Encumbrance over any assets, properties or undertakings of the Company or its Subsidiaries, to secure (in the aggregate) an obligation in excess of INR 100,000,000 (Rupees One Hundred Million), or write off any Indebtedness owed to the Company or its Subsidiaries in excess of INR 100,000,000 (Rupees One Hundred Million)
12. Entering into a new line of business, either directly or through a merger with or acquisition of any other Person, in each case, other than the Business.
13. Entering into any binding arrangements in respect of or consummating any Restricted Divestment at any time prior to the expiry of 6 (six) years from the Effective Date.

Names and Addresses, Occupation, description of Subscribers	Signature of of Subscriber	Signature of witness with address, description and Occupation
<p>Dr. SURINDER KAPUR S/o Late Shri S. P. Kapur G - 23, Maharani Bagh New Delhi - 110 065 <i>Industrialist</i></p> <p>JUGMOHAN KAPUR S/o Late Shri S. P. Kapur 16 - L, Connaught Circus New Delhi - 110 001 <i>Company Director</i></p> <p>TAPASH KUMAR PAL S/o Late Shri H. N. Pal S - 42, G. K. I New Delhi - 110 048 <i>Company Director</i></p> <p>S. C. SAIGAL S/o Late Shri Chunilal Saigal 258, Kailash Hills, East of Kailash New Delhi - 110 065 <i>Company Director</i></p> <p>GHANSHYAM DASS S/o Late Shri Ratan Lal J9/15 DLF Qutab Enclave Gurgaon - 122 002 <i>Company Director</i></p> <p>SOMENDRA UPADHYAY S/o Late Shri Dhaneshwar Upadhyay 1014 / Sector 15, Faridabad, Haryana <i>Service</i></p> <p>SUDHIR CHOPRA S/o Sh. B. R. Chopra 329 Faiz Road New Delhi - 110 005 <i>Company Executive</i></p>	<p>Sd/-</p> <p>Sd/-</p> <p>Sd/-</p> <p>Sd/-</p> <p>Sd/-</p> <p>Sd/-</p> <p>Sd/-</p>	<p>I hereby witness the signatures of all the subscribers who have signed in my presence at New Delhi.</p> <p>Sd/- (DEEPIKA SHARMA) D/o Shri. M. P. Singh R/o A-14, Ordnance Apt. H - Block, Vikas Puri, New Delhi - 18 Company Executive</p>

Place : New Delhi

Dated: 13th day of October 1995