SUMMARY OF TERMS
FOR A PROPOSED INVESTMENT IN
XX TECHNOLOGIES PRIVATE LIMITED,
TERM SHEET FOR PREFERENCE SHARE FINANCING

XX, 2014

This Confidential Term Sheet ("Term Sheet") summarizes the terms and conditions of a proposed financing of Surya Power Magic Private Limited by Infuse Capital (a Scheme of i3E Trust and advised by CIIE Initiatives). This Term Sheet is a preliminary summary of certain basic terms and conditions of a proposed financing and, except as specifically provided to the contrary herein, under no circumstances shall this Term Sheet create or be deemed to constitute a legally binding commitment on any party.

Company:	XX Technologies Private Limited
Sponsor:	XX - , the "**Sponsor**"
Key Persons :	XX, the "**Key Persons**"
Existing Shareholders	XX holding equity shares of the Company. Their equity shareholding is set out in the Table below.
Investor:	Infuse Capital (the "**Investor**")
Type of Security:	Convertible Preference Shares (the "**Preference Shares**"), initially convertible into an equal number of the Company's equity shares (the "**Investor Shares**").
Pre-money Valuation:	**XX ("Pre-money Valuation")**.
Amount of Financing:	**XX**, to be invested by Investor in 1 tranche.
Investment conditions:	This Term Sheet is neither an offer nor a binding commitment to purchase shares. Such a binding commitment will only be made pursuant to the execution of a definitive Share Subscription and Shareholders Agreement mutually acceptable to all parties and only upon satisfaction of the following conditions: • The **Sponsor** and **Company** shall allocate Shares for the ESOP pool • The **Sponsor and Key Persons** shall enter into fulltime employment agreements with the Company • The Investor has completed, to its satisfaction the social and environmental review. Such due diligence

will be completed within 30 days after execution of this Term Sheet.

- The Investor has completed, to its satisfaction the legal and accounting review. Such due diligence will be completed within 60 days after execution of this Term Sheet.
- The Investor has satisfied itself that there has been no material adverse change to the business, financial condition or prospects of the Company.
- The Investor has approved the investment in accordance with its governance rules.
- The Company has received all necessary approvals (corporate or otherwise) necessary to complete the contemplated transaction; and
- Any other condition as may be stipulated in the Share Subscription and Shareholders Agreement.

Capitalization: The pre-financing and post-financing capital structure will be as set forth in the following table:

Table: Shareholding Structure

Closing Date: On or before XX, provided the Company on or prior to XX executes this Term Sheet. If this Term Sheet is not executed by such date, or any other extended date as mutually agreed upon, this investment proposal will be deemed withdrawn.

Board of Directors: Upon the completion of the Investor's share subscription, the board composition shall be as follows:

(i) **Sponsor & Key Persons** – 2 Directors
(ii) Investor – 1 Director

The Investor may, at its discretion, decide to appoint an observer(s) on the board instead of Investor Director. However, if the shareholding of the Investor falls below 5% on a fully diluted basis, then the Investor shall cease to have the right to appoint a director.

The Company will reimburse non-executive directors for all out-of-pocket expenses incurred in attending board and committee meetings subject to a maximum of INR 10,000 per quarter. All board rights will terminate upon a Qualifying IPO

TERMS OF PREFERRED SHARES

Dividends:	The holders of the Preference shares, shall be entitled to receive non-cumulative dividends in preference to holders of Equity Shares at the rate of 1%, if and when declared by the Board of Directors from funds or reserves that are legally available therefor. The holders of Preference Shares shall be entitled to participate pro rata in any dividends paid on the Equity Shares on an as-if-converted basis.
Liquidation Preference:	In the event of any liquidation or winding up of the Company, the Company will first pay the Investor, the higher of the fair market value as determined by an independent banker appointed by the Board or 2X of the original purchase price or 25% IRR on the investment amount, including any paid dividends, before making any distribution to other existing shareholders. This will be applicable in all exit/liquidity events, including Qualified IPO or any public offering of shares, share buyback, acquisition or bankruptcy (together referred to as "**Liquidity Event**"). In case of winding up of the Company, the Investor will be eligible for a return of its investment prior to distribution to other shareholders.
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Exit Rights:	The Company shall make best efforts to provide the Investor an exit within 60 months ("**Exit Period**") from the date of the Shareholders Agreement, such that the Investor receives a return being the higher of, (i) the fair market value as determined by an independent banker appointed by the Board, or (ii) 2X of the original purchase price, or (iii) 25% IRR on the investment amount, including any paid dividends ("**Exit Price**"). Such exit may be provided by way of (i) sale of Investor Shares to any future investor or strategic purchaser, (ii) a liquidity event, (iii) listing on a stock exchange acceptable the Investor pursuant to an initial public offering made at or above the Exit Price ("**Qualifying IPO**") (iv) any other manner acceptable to the Investor.
Drag Along Rights:	The Investor shall have drag along rights on the **Sponsor and Key Persons**, which may be exercised upon (i) failure to give the Investor an exit after Exit Period for the Exit Price, (ii) on material breach of the terms of the Transaction Documents. The Investor Shares shall not be subject to any drag-along rights, and Investor will have a tag along right on the **Sponsor and Key persons** in the case of a drag along right being enforced by any other investor.
Proportionate ownership:	The Investor shall have the right, in the event the Company proposes to offer equity securities to any person (other than

	securities issued to employees, contractors, directors or consultants pursuant to board approved plans or pursuant to Board of Directors approved acquisitions or bank, other institutional or lease financing or other Board of Directors approved credit arrangements (such approvals to include the affirmative vote of at least one member of the Board of Directors elected by the Preference Shares)), to purchase a pro rata portion of such shares based on the number of shares then held by the Investor relative to the total outstanding shares (on a fully diluted equity shares equivalent basis including all shares warrants and employee options for equity shares granted), with rights of subscription as to any unsubscribed shares.
Voluntary Conversion:	The Investor shall have the right to convert the Preference Shares at any time, at its option, into equity shares and shall be subject to anti-dilution adjustment as described below.
Anti-dilution:	The conversion price of the Preference Shares will be subject to a broad based weighted average anti-dilution in the event that the Company issues additional equity shares (other than shares issued pursuant to the Exceptions below) at a pre-money valuation lower than the **Pre-money Valuation**. **Exceptions**: There will be no adjustment to the conversion price of the Preference Shares for issuances of (i) shares or share equivalents issued pursuant to an Board approved employee stock option plan; (ii) shares or share equivalents issued upon the exercise or conversion of share equivalents issued, prior to the date on which Investor first subscribed for shares and share equivalents in the Company.
Tag Along Right:	If the **Sponsor and Key Persons** are allowed to transfer any of their shares in the Company, the Investor shall have the right to include in such transfer a proportional number of the shares it holds in the Company on the same terms and conditions as are applicable to the sale of such shares or share equivalents. If any proposed transfer of shares by the **Sponsor and Key Persons** results in a change of control, or involves the shareholding of the **Sponsor** and **Key persons** reducing to less than 30% or more in the Company or, if following the proposed transfer the Investor's share in the Company would constitute less than 2% of the share capital of the Company, that Investor shall be entitled to sell all the shares it holds in the Company as part of such transfer. Notwithstanding the foregoing, transfer of shares or share equivalents amongst the **Sponsor** and **Key Persons** shall not trigger a Tag Along right.
Voting Rights:	Subject to applicable law, the Preference Shares shall vote together with the equity shares on an as-converted basis, and not as a separate class, on all matters required to be submitted

to a vote of shareholders of the Company. Subject to the Protective Provisions, the Preference Shares and the equity shares will have one vote per share determined on an as-converted basis.

Protective Provisions:	Consent of the Investor shall be required for any action that (i) alters or changes the rights, preference or privileges of the Preference Shares, (ii) increases or decreases the authorized number of shares of equity or Preference Shares, (iii) creates any new class or series of shares having rights, preference or privileges senior to or on a parity with any outstanding series of Preference Shares, (iv) results in the redemption of any Preference Shares or buy-back of any equity shares, (v) results in the payment or declaration of dividends to holders of Preference Shares or equity shares, (vi) increases or decreases the authorized number of board members, (vii) results in an amalgamation, merger, consolidation, reconstitution, restructuring or similar transaction that results in or commits the Company to a Change of Control, (viii) amends charter documents , (ix) any liquidation, winding up etc. of the Company or any listing or delisting of shares, or any private or public offering of shares or any de-listing of the shares of the Company (x) any change to the primary business of the Company except as set forth in the Company's business plan, (xi) any disposal of (A) more than 10% of the assets or business of the Company (xii) approving of and amendment to the annual business plan or budget, (xiii) creating any subsidiary or entering into any joint venture, (xiv) availing of debt by the Company beyond what is approved by the Board in the annual business plan, (xv) appointment of any key personnel or senior management positions including those being offered ESOPs who are in receipt of an annual remuneration of more than INR 10 lakhs and (xvi) any other action as may be stated in the Share Subscription and Shareholders Agreement.
Information Rights:	The Company shall deliver to the Investor audited annual and unaudited monthly financial statements and will provide a copy of the Company's annual operating plan within 45 days after the end of each fiscal year. Investor shall also be entitled to standard inspection and visitation rights. These provisions shall terminate upon exit/liquidity events, including Qualified IPO or any public offering of shares, drag along, share buyback, acquisition or bankruptcy.
Right of First Refusal:	The Investor shall have a right of first refusal over any transfer of shares by other shareholders of the Company, except in cases of inter se transfers between **Sponsor** and **Key Persons**, provided no **Sponsor** and **Key Persons** shareholding shall fall below 50% of its shareholding during the Lock-in Period.

SSSHA	The investment shall be made pursuant to a Share Subscription and Shareholders Agreement acceptable to the parties, which agreement shall contain, among other things, appropriate representations and warranties covenants of the Company reflecting the provisions set forth herein and appropriate conditions of each closing, including delivery of standard closing deliverables (including an opinion of counsel for the Company and a schedule of exceptions).
Employees:	All current and future employees, consultants and principal holders of Equity Shares will enter into relevant employment contracts, proprietary information, inventions, non-competition and non-solicitation agreements satisfactory to the Investor prior to the closing that shall, among other provisions, include a representation that the employee or consultant is not in violation of any obligations regarding the confidentiality of any proprietary information of any employer. Each future employee, officer and consultant shall also sign such agreements.
Management Lock-in and vesting:	For 5 years following Closing ("**Lock-in Period**"), **Sponsor and Key Persons** will not be permitted to transfer any of their Company shares without the permission of Investor. Upon the expiry of 5 years from Closing Date, **Sponsor and Key Persons** shall have the right to individually transfer, subject to the Right of First Refusal and Tag along rights of the Investor, up to 10% per cent of their respective fully diluted shareholding in the Company, every year, provided there is a minimum gap of 6 (six) months between each sale transaction by the **Sponsor** and **Key Persons** ("**Permitted Sale**"). Unless permitted by the Investors, **Sponsor and Key Persons** will spend 100% of their time with the Company for at least 5 years following Closing. All restrictions on the transfer of any **Sponsor and Key Persons** shares shall cease on the exit of the Investor. 100% of the **Sponsor and Key Persons's** Equity Shares (of the agreed upon fully diluted shareholding structure) on the Closing Date (as laid out in Table 1) shall stand vested to the Sponsor and Key Persons as on the closing date.
Event of Default :	In case there is any breach of the terms laid out in the transaction documents by the **Sponsor** and/or any of the **Key Persons** which is not remedied within 30 days from the date of occurrence of the breach, the **Sponsor** and **Key Persons** or the **Company** will be required to acquire or buyback the Investor Shares at **Exit Price**. The mechanism shall be detailed in the definitive agreements.
ESOP:	An ESOP pool of 10% of the shareholding of the Company on a post money basis will be implemented prior to the

	closing of the investment. After the Exit Period, all unissued Shares allocated for ESOP may be purchased by the **Sponsor** and **Key Persons** in accordance with the terms of the ESOP scheme.
Environmental Due Diligence:	Investor’s appraisal team will conduct a social and environmental review appropriate to the nature and scale of the investment, and commensurate with the level of social and environmental risks and impacts. The Company shall ensure that it shall: • Implement the results of the social and environmental review report/action plan and undertake its operations in compliance with applicable social and environmental law and the social and environmental performance standards as may be advised by the Investor at the time of investment in the Company. • Periodically review and revise, with Investor's consent, the form of the social and environmental performance report. • The cost of environmental due diligence shall be born by the Investor.
Insurance and Indemnification:	The Company shall procure a director and officer liability insurance policy on the terms and in the amounts requested by such holders. The Company will enter into indemnification agreements with directors that will indemnify members of the Board of Directors to the broadest extent permitted by applicable law. The Company shall take insurance coverage as specified in Annex A (coverage 2(a) to be maintained once assets owned by the Company exceed the equivalent of Rs 50,00,000, coverage 2(c) to be evaluated in cooperation with the Investor within 12 months after subscription and annually thereafter based on Company’s products, activities, turnover and availability of insurance cover) and all premiums due and payable in respect of the policies have been paid.
Non-Compete:	The **Sponsor** and/or **Key Persons** shall not directly or indirectly engage in any business activity with or in any way associate with a person or Company that directly or indirectly competes with the Company, so long as (i) they are shareholders of the Company and for a period of three (3) years thereafter, and (ii) so long as the Investor is shareholder in the Company.

Legal Counsel and Fees:	The Company will pay its own legal fees and will also pay the fees of legal counsel and accounting due diligence to the Investor. The expenses towards legal and accounting due diligence by the Investor shall initially be born by the Investor. The Company shall reimburse these expenses to the Investor only after successful completion of transaction and remittance of the full amount of financing as agreed herein. Such reimbursement is subject to the upper limit of Rs.400,000/-.
Expiration; No-Shop:	This Term Sheet will expire at 5:00 p.m. IST, XX unless signed by the Company and the Investor by such date. By signing this Term Sheet, and in consideration of the efforts of the Investor in evaluating the Company, the Company agrees not to, for the term of this Term Sheet, directly or indirectly initiate, solicit, encourage, discuss, negotiate or accept any offers or proposals regarding the sale of equity securities of the Company or a substantial portion of the Company's business or assets to or from any party other than the Investor. If the parties hereto do not execute share purchase and other definitive agreements within three (3) months from the date of signing of the Term Sheet, this Term Sheet shall terminate and be of no further force and effect. The Company agrees to keep the existence of this term sheet, the terms hereof, and the interest of the Investor in the Company strictly confidential and agrees that it will not disclose any such information to any third party without the prior written consent of the Investor except to its counsels and/or consultants with the purpose of taking an opinion/ advise on this term-sheet or terms of the deal. Such disclosure will not contravene the No-shop and will not require the consent of the Investor. This paragraph of this Term Sheet titled "Expiration: No-Shop" is intended to be legally binding and a penalty of Rs 10 lakhs will be enforced if the Company fails to honor this clause.

Accepted and Agreed

CIIE Initiatives
On behalf of Infuse Capital
(a Scheme of i3E Trust)

Name: ______________________________

Title: CEO

Name: ______________________________

Title: ---

ANNEX A: INSURANCE REQUIREMENTS

1. CONSTRUCTION PHASE

   a) Erection/Construction All Risks, based on full contract value and including:

      i) Strike, Riots & Civil Commotion
      ii) Debris Removal
      iii) Extra Expenses
      iv) Extended Maintenance Period
      v) Third Party Liability

2. OPERATIONAL PHASE

   a) Fire and named perils or Property All Risks, based on new replacement cost of assets

   b) Public Liability

   c) Products/Completed Operations Liability

3. AT ALL TIMES

   a) All insurances required by applicable laws and regulations.

   b) Directors' & Officers' Liability, as required by Investor