
INCUBATION AGREEMENT

Dated: _____

AMONG

**IIM LUCKNOW ENTERPRISE INCUBATION CENTRE,
IIM LUCKNOW NOIDA CAMPUS**

AND

“ _____ ”

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INCUBATION AGREEMENT

THIS INCUBATION AGREEMENT (hereinafter referred to as this “**Agreement**”) is made on this _____ day of _____ (“**Effective Date**”) at Noida, Uttar Pradesh.

BY AND AMONG

IIM Lucknow Enterprise Incubation Centre, having CIN U93030UP2013NPL056372, a Section 8 company incorporated under Companies Act 1956, having its registered office at B-1, Institutional Area, Block B, Industrial Area, Sector 62, Noida, Uttar Pradesh 201307 and also having Campus at B-1, Institutional Area, Block B, Industrial Area, Sector 62, Noida, Uttar Pradesh 201307, which is (hereinafter referred as “**IIML-EIC**” which expression shall, unless inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) of the **FIRST PART**;

AND

[Mr.] _____ S/o _____ residing at _____ having PAN _____ (hereinafter referred to as the “**Founder 1**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his legal heirs, executors, administrators and permitted assigns) of the **SECOND PART**;

AND

[Mr.] _____ S/o _____ residing at S/o _____ having PAN _____ (hereinafter referred to as the “**Founder 2**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his legal heirs, executors, administrators and permitted assigns) of the **THIRD PART**;

_____ **Company legal name** _____ having CIN _____ having registered office at C/o _____ (hereinafter referred to as the “**Company**” or “**Start-Up**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his legal heirs, executors, administrators and permitted assigns) of the **FOURTH PART**;

The Founder 1, and Founder 2 shall hereinafter be collectively referred to as “**Founders**” and individually as “**Founder**”

The Founder 1, and Founder 2 and Company shall hereinafter be collectively referred to as “**Incubatees**” and individually as “**Incubatee**”.

The IIML-EIC, Company and the Founders shall hereinafter be collectively referred to as “**Parties**” and individually as a “**Party**”.

RECITALS

- A. **WHEREAS**, IIML-EIC is classified as Non-profit organization under Section 8, Companies Act 2013. Indian Institute of Management, Lucknow is the Host Institution of the IIML-EIC owing the Infrastructure being used by IIML-EIC apart from other required support services from time to time. It promotes entrepreneur development, startup incubation, and early-stage investment in the startups.
- B. **WHEREAS**, the Company carries on the business activities of Information Technology (“Business”).
- C. **WHEREAS**, The Founders are the promoters of the Start-Up.
- D. **WHEREAS**, IIML-EIC is willing and has consented to incubate the novel technology and business ideas of the Start-Up into viable commercial products or services as per the terms of this Agreement.

NOW THEREFORE IN CONSIDERATION OF THE PREMISES AND MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

1. INCUBATION AND MENTORING SUPPORT

- 1.1.** The Company registered with IIML-EIC shall be provided incubation and mentoring support as per this Agreement and other terms as decided and deemed fit by the IIML-EIC from time to time.
- 1.2.** The IIML-EIC shall endeavor and make efforts to provide to the Company following incubation and mentoring support through the expert mentors recommended and selected by IIML-EIC from time to time depending upon the requirement of the Incubatee(s):-
 - 1.2.1 Business Mentoring:** Guidance by IIML-EIC expert mentors, angel investors, experienced & successful senior business and corporate sector executives and industry veterans on a broad range of topics, including the fundamentals of setting up a business, identifying suppliers, the appropriate location for the business, pricing of the product, marketing, developing effective business processes, etc.
 - 1.2.2 IPR Mentoring:** Guidance on intellectual property right strategy to be followed by the Company or Start-Up, in line with the larger strategy of the business model.
 - 1.2.3 Support services:** Assistance in connecting to lawyers, accountants, marketers, human resource specialists, intellectual property right agencies and other qualified practitioners in order to provide assistance in setting up the business and taking care of basic requirements. IIML-EIC will not be liable for either quality or cost or any other breakdown related to delivery of such services.
 - 1.2.4 Visibility:** Showcasing of IIML-EIC on Company’s website, marketing communication and promotional materials and other possible places; participation in events, seminars and conferences organized by IIML-EIC, IIML-EIC shall endeavor to increase the traction for the Company or Start-Up.
 - 1.2.5 Training & Development:** Access to training material on relevant issues like accounts, taxation for start-ups, understanding intellectual property, etc. IIML-EIC may also organize training events from time to time in order to help entrepreneurs tackle the challenges of starting-up and for the capacity development of the Start-Up.

1.2.6 Monitoring and Review: IIML-EIC may review and monitor the progress and growth of the Start-up/ business of the Company. Any suggestions or advice given by the IIML-EIC should be seriously considered by the Company.

1.3. Notwithstanding anything mentioned in Agreement, it is specifically understood by the Incubates that IIML-EIC's role is that of a facilitator and platform provider for incubation, mentoring, acceleration, business support and/or investment by private and institutional investors and other entities and it will endeavor to deliver on the above objectives on a best efforts basis. How much value the Incubates derive from IIML-EIC and its connections and whether or not the Company gets any investment will depend on several factors including, but not limited to, the perseverance and application of the promoter/entrepreneur, strength of the idea and business and demonstrated capability to execute. Failure to learn or to attract investment on the part of the Company will not create any liability on IIML-EIC, its promoters, management team, operating team, office bearers, or those of any of its associate companies, business support partners, advisors or any other person or entity whom IIML-EIC might have called upon to help it achieve its objectives.

2. INFRASTRUCTURAL SUPPORT

2.1 IIML-EIC will provide access to working space and the following infrastructure support to the Incubatees for a period as may be determined by the IIML-EIC:

- a.** Co-Working Space
- b.** IoT & AI Lab facilities
- c.** Shared Conference Hall (depending on availability)
- d.** Discussion /Conference Room (depending on availability)
- e.** Standard Furniture etc.
- f.** Cabins, open fixed seats and floating seats
- g.** Electricity
- h.** Printing facility (on chargeable basis)
- i.** Internet and Wi-Fi connection
- j.** Land Line Phone usage (on chargeable basis)
- k.** Other support as IIML-EIC may deem fit

2.2 Incubatees shall not claim above support as a matter of right, but the infrastructural support shall be provided to Incubatees on availability basis by the IIML-EIC. The IIML-EIC shall in no way be bound to provide above said support to the Incubatees. The Incubatees shall treat the premise with utmost care, and not do anything unprofessional, illegal or immoral that may disrupt the working culture, reduce or adversely affect the productivity of the said office or otherwise bring IIML-EIC to disrepute in any manner.

2.3 Smoking and alcohol is prohibited in the Incubator's facility.

2.4 No Incubatee shall be permitted to use the premises or the address of the IIML-EIC for the registration of the Company.

3. FINANCIAL SUPPORT

3.1 IIML-EIC shall endeavour to connect and demonstrate the Company to the potential angel and institutional investors and support them in raising funds through the IIML-EIC's Investor Network or the outside Investors. The selected Company may be allowed to pitch before the investors on a selected date and venue.

3.2 The IIML-EIC may also invest / co-invest (but will not be under any obligation) to provide seed fund to the deserving Company, as may be selected and decided by the IIML-EIC at its sole discretion from time to time.

3.3 The Incubatees shall disclose the utilization of funds in advance to the IIML-EIC and the funds so raised by the Company shall be used as disclosed.

4. GENERAL TERMS OF INCUBATOR

4.1 The Incubatees shall not do anything unpleasant obscene, illegal or immoral that may disrupt the decorum or working culture of the IIML-EIC to disrepute in any manner.

4.2 The Incubatees shall adhere to the timelines set up by the IIML-EIC.

4.3 IIML-EIC shall provide facilities of printing, scanning, photocopying, refreshments Document Scanner, Library: Management Books, Subscription to IT, Business, Management and Trade journals and newspapers, Meeting/Conference room with projection equipment, Tele or Video conferencing facilities etc. to the Incubatees on affordable chargeable basis.

4.4 The Incubatees shall observe the holidays as per the calendar of the IIML-EIC.

5. INCUBATION COSTS

5.1 For providing incubation facility support IIML-EIC shall charge a fee of Rs.5,000/- per month per seat excluding all applicable taxes more particularly described in Schedule -A of this agreement. The Incubatee will intimate the requirement of number of seats at the time of execution of this agreement which may be increased or decreased as per mutual discussion. All applicable taxes shall be charged extra at actual by the IIML-EIC and be solely borne by the Company.

5.2 Subject to the terms of this Agreement, in addition and also in consideration of the Services & Facilities to be provided by the Incubator, the Incubatee is required to provide, on a dilutable basis, such number of liability free Equity Shares (fully paid up) as would be equivalent to 3% of (Three percent) Paid up equity share capital of the company as on the date of this agreement.

5.3 For purposes of implementing the provisions of this clause 5.2, the obligations of the Incubatee for allotment of the Equity Shares (Equity Compensation) are set in Schedule-B to this agreement:

5.4 The Incubatees shall be jointly and severally liable for the payment of above costs to the IIML-EIC.

5.5 Unless mutually agreed upon otherwise and subject to the terms and conditions of this Agreement, monthly invoices will be issued by the Incubator 3 days in advance of the month in which Service is to be provided and are payable and/or settled, where undisputed, by the Incubatee within 7 days by wire transfer (national electronic funds transfer (NEFT)/real time gross settlement (RTGS)/cheque/demand draft as per the remittance instructions on the respective monthly invoice. On payments not received by the due date ("Delayed Payment(s)"), the Incubator will assess, until such time as payment in full is made, a late payment charge/penalty of the Delayed Payment in accordance with clause herein below

5.6 In addition to any other rights the Incubator may have under this Agreement, at law, in equity, under contract (including, without limitation, this Agreement) or otherwise (all of which are hereby expressly reserved), the Incubator may suspend provision of the Services and Facilities (if any) on a 15 days' notice for the Incubatee's failure to pay any due to the Incubator. The pending dues beyond 7 days from the date of the invoice will be subject to levy of interest @ 18% per annum till such time it has been paid by the incubatee. In case if the Incubatee does not receive the invoice as per Clause 5.1, it may email to the Incubator, requesting for the Invoice and/or any representative of the Incubatee shall visit Incubator's office for collecting a copy of the Invoice.

6. OBLIGATIONS OF THE INCUBATEES

The Incubatees shall abide by its obligation under this Agreement and comply with the following:

- 6.1 The Company shall pay the fee and issue/ transfer / allot equity shares to the IIML-EIC as per clause 5 within 7 days of signing this Agreement.
- 6.2 IIML-EIC shall have the right, but not the obligation, to appoint one Director on Board of the Company and a Board Observer during the tenure of incubation or till the time IIML-EIC holds any equity shares, whichever is later. The promoters of Incubatee shall appoint such nominated person as Director in the Company within 5 days after the nomination by the IIML-EIC.
- 6.3 The Incubatees shall abide by the timelines set up by the IIML-EIC and shall not violate any of the provisions of this Agreement.
- 6.4 In case of failure to pay the fee to IIML-EIC as per Clause 5, the Company shall be liable to pay a nominal interest as decided by IIML-EIC. In case the Company is unable to pay outstanding amounts (along with the interest) to the IIML-EIC, the IIML-EIC shall have the option to require the Company to issue equity shares equivalent to the amount outstanding in the name of IIML-EIC.
- 6.5 The Company shall provide a list of all its directors, founders, promoters or any other bonafide persons in the format as required by IIML-EIC. The Incubatees shall not use IIML-EIC name either directly or indirectly in their business dealings, either during the time when the facilities are availed or in the future business dealings unless written permission is obtained from IIML-EIC for using the name. The Company shall inform IIML-EIC in advance about change of its name or any other form of legal entity, any change in the incubation/business plans or any change in their ownership pattern or shareholding.
- 6.6 The Company shall furnish its annual financial reports like cash flow statement, balance sheet, MIS, and any other information and document as may be desired by IIML-EIC.
- 6.7 The Incubatees shall keep confidential, all the discussions, inputs and terms discussed during selection process or while in operation with IIML-EIC.
- 6.8 The Incubatees shall use the IIML-EIC premises only for the business as pre-disclosed by the Incubatee and permitted by the IIML-EIC. The Incubatee shall not use the premises for purpose of registered office address and/or statutory registrations.
- 6.9 The Incubatees shall keep the IIML-EIC and the common space provided neat or clean and to take proper care of the facilities provided during the term of occupation and at the time of leaving the Incubatee shall agree to pay for any damage of such facilities as determined by IIML-EIC.
- 6.10 The Incubatees shall observe that noise levels are kept at a minimum and no abnormal level of noise by equipment or employees or visitors should be made.
- 6.11 The Incubatees shall not takeout of IIML-EIC premises any equipment without the approval of the official authorised by IIML-EIC.

7. MANAGEMENT AND INFORMATION RIGHTS

- 7.1. So long as the IIML-EIC holds any share in the Company, the Company shall deliver to the IIML-EIC the following information:
- 7.1.1 Audited annual financial statements within 6 months from the end of each financial year.
 - 7.1.2 Unaudited Quarterly (and year-to-date) financial statements including an income statement, a statement of cash flow and a balance sheet within 30 days from the end of each quarter
 - 7.1.3 Monthly profitability and cash flow statement within 15 days from end of each month
 - 7.1.4 Copy of board pack as circulated to the Directors of the Company
 - 7.1.5 Such other information as may specifically be asked by IIML-EIC which will be provided by the Incubatee within 15 days from the date of request made for such information or within such extended period as may be mutually agreed.
- 7.2. The Company shall intimate the IIML-EIC in writing, about any event at least 7 days prior to occurrence of such events.
- 7.3. The Company shall keep the IIML-EIC informed in writing about all material changes, information and events (including but not limited to any information related to future rounds of funding). If the Company fails to keep IIML-EIC informed about the material information, then the Company shall fully indemnify the IIML-EIC to its satisfaction against all losses, deficits, damages and claims in the manner as required by the IIML-EIC.

8. INTELLECTUAL PROPERTY RIGHTS

- 8.1 In case the Incubatees is desirous of using any Intellectual Property of IIML-EIC then the Incubatees shall make such request in writing to IIML-EIC and use the same only after the written consent from IIML-EIC.
- 8.2 The Incubatees shall protect their Intellectual Properties as per the instructions or guidelines as instructed by IIML-EIC.
- 8.3 Intellectual Property in any and all materials developed, devised, written or otherwise acquired by the Incubatees in the past or during the Incubation period shall vest exclusively in the Incubatees as the sole owner.
- 8.4 The Incubatees shall be the true and legal owner of the Intellectual Property (ies), which are claimed or used by such Incubatee(s) and the same shall be free from all encumbrances.
- 8.5 The parties shall neither infringe, copy, imitate alter or otherwise interfere nor shall have or claim any right or ownership or goodwill in any manner whatsoever with the trademarks, trade name, copyright, designs, colours, artistic works, labels or any other Intellectual Property Materials belonging to the other Party
- 8.6 The parties shall have no rights or interests in any of the Intellectual Property Materials of the other party relating to the Product. Either Party shall promptly notify the other Party of any infringement or attempted infringement of such trademarks or other proprietary rights of which the other party has knowledge
- 8.7 Either Party shall not use the name of the other party for media advertising, publicity or any document without the prior written consent of the other Party. Provided that, any such written

consent, if provided by the other Party is deemed to have been withdrawn and shall stand withdrawn upon the termination of this Agreement.

8.8 For the purpose of this Agreement:

“Intellectual Property” means and includes collectively or individually, the following worldwide rights relating to intangible property, whether or not filed, perfected, registered or recorded and whether now or hereafter existing, filed, issued or acquired: (a) patents, patent applications, patent disclosures, patent rights, including any and all continuations, continuations-in-part, divisions, re-issues, re-examinations, utility, model and design patents or any extensions thereof; (b) rights associated with works of authorship, including without limitation, copyrights, copyright applications, copyright registrations; (c) rights in trademarks, trademark registrations, and applications therefore, trade names, service marks, service names, logos, or trade dress; (d) rights relating to the protection of trade secrets and confidential information; and (e) internet domain names, Internet and World Wide Web (WWW) URLs or addresses; (f) mask work rights, mask work registrations and applications therefore; and (g) all other intellectual, information or proprietary rights anywhere in the world including rights of privacy and publicity, rights to publish information and content in any media.”

9. BOARD REPRESENTATION AND NO LIABILITY

9.1 The IIML-EIC shall have the right, but not the obligation to nominate 1 (one) Director in the Board of Directors of the Company and 1 (one) Observer to the Board of meetings of the Company. In the event of any increase in the overall board composition, the number of Directors so nominated by the IIML-EIC shall proportionately increase.

9.2 Quorum for the meetings of Board of Directors would be the presence (either in person or through video conference) of at least 2 directors, including at least one director nominated by the IIML-EIC (if appointed by IIML-EIC).

9.3 Subject to the provisions of Applicable Laws, the Company expressly agree and undertake that neither the IIML-EIC nor the Director appointed by the IIML-EIC shall be liable for any applicable law, including but not limited to, defaults under the Companies Act, 2013 (or a like law) taxation and labor laws of India, since they are not responsible for the day to day management or affairs of the Company.

9.4 Subject to the provisions of Applicable Laws, the Company expressly agree and undertake that the Director appointed by IIML-EIC shall not be identified as an officer in default of the Incubatee, or occupier of any premises used by the incubate or employers under applicable laws. Further, the Company undertake to ensure that the other Directors or suitable persons are nominated as officers in default, occupier and /or employers, as the case may be, in order to ensure that the Director appointed by IIML-EIC do not incur any liability case may be, in order to ensure that the Director appointed by IIML-EIC do not incur any liability.

10. NON-COMPETE AND NON-SOLICITATION

So long as the IIML-EIC holds any Shares in the Company, the Founders shall not directly or indirectly through Third Parties:

10.1 disclose to any third party the names, backgrounds or qualifications of any employees of the Incubatee or otherwise identify them as potential candidates for employment.

- 10.2 solicit the clients of the Company and entice business away from the Company or any group companies/ affiliates;
- 10.3 use the services of or make any offers of employment or contract or sub-contract to the Company or an group companies/ affiliates staff or sub-contractors (whether individual or corporate), current or former employees;
- 10.4 engage in any business, directly or indirectly, that is in competition with the business of the Company or any group companies/ affiliates.

11. TRANSFER RESTRICTIONS

As long as IIML-EIC holds any Shares in the Company, the Founders seek prior permission from IIML EIC before transferring equity share to any party. IIML EIC will not unreasonably hold this request.

12. CONFIDENTIALITY

The IIML-EIC and Incubatee(s) shall keep confidential, the contents of the Incubation and mentoring support and other sensitive information exchanged or received during the incubation period. Both IIML-EIC and the Incubatee(s) shall take all reasonable measures to protect the secrecy of and avoid disclosure or use of any confidential information of the other Party in order to prevent it from falling into the public domain or the possession of persons other than authorized by such Party.

13. REPRESENTATION , WARRANTIES AND INDEMNIFICATION

13.1 Each Party represents to the other Parties hereto that:

- a. Such Party has the full power and authority to enter into, execute and deliver this Agreement and to perform its obligations and the transactions contemplated hereby and, if such Party is not a natural Person, such Party is duly incorporated or organized and validly existing under the Laws of the jurisdiction of its incorporation or organization, having full power and authority to enter into and perform its obligations under this Agreement.
- b. The execution and delivery by such Party of this Agreement and the performance by such Party of its obligations and the transactions contemplated hereunder has been duly authorized by all necessary corporate or other action of such Party.
- c. the execution and delivery of this Agreement by such Party and their promises, agreements or undertakings under this Agreement do not violate any law, rule, regulation or order applicable to such Party or violate or contravene the provisions of or constitute a default under any documents, contracts, agreements or any other instruments to which such Party is a party or which is applicable to such Party.

13.2 The Incubatees shall indemnify, defend and hold harmless the IIML-EIC its directors, partners, employees, agents and representatives (an “Indemnified Party”) from and against any and all damages, losses, liabilities, obligations, claims of any kind, interest, costs, taxes or expenses (including without limitation, reasonable attorney’s fees and expenses) suffered or incurred, directly (excluding any consequential losses) by any Indemnified Party as a result of any failure to perform or breach of any provision or term of this Agreement.

14. NO PARTNERSHIP

Nothing in this Agreement shall create or deemed to have create a partnership between the IIML-EIC and the Company and none of them shall have the power or authority to enter any agreement on behalf of the other or otherwise.

15. AMENDMENTS

This Agreement shall be subject to periodical review and amendments /modification by the IIML-EIC at its sole discretion without any prior notice or intimation to any person or entity, including but not limited to Incubatee(s). It will be the responsibility of the Company or Start-Up enrolled with IIML-EIC, to update themselves from time to time on amendments in Agreement and procedures. IIML-EIC reserves the rights to make an exception of all or any of the terms of Agreement for particular Company or Start-Up on a case to case basis more specifically making Indian Institute of Management, Lucknow as party to this Incubation Agreement being Host Institution of IIML-EIC subject to approval by its Board of Governors.

16. TERM AND TERMINATION

- 16.1. This Agreement shall enter into force upon signature by the legal representatives (or in the case of the Incubator by the duly authorized representative) of both Parties on the Execution Date and shall continue in force until for a period of 2 (Two) year (“Incubation Period”), unless it is cancelled or otherwise terminated in accordance with clause 17
- 16.2. This Agreement may be renewed and the Incubation Period can be extended for a successive 1(one) year terms (each, a “Renewal Term”) by mutual written agreement of the Parties to this Agreement as addendum, executed not less than 2 (two) months prior to the expiration of the Incubation Period or any Renewal Term, as applicable, provided that the total Incubation Period or any Renewal Term shall not exceed two years unless agreed otherwise in exceptional circumstances
- 16.3. IIML-EIC shall have sole right and discretion to remove any Company from the IIML-EIC, which has either violated any rule or provision, set out by this Agreement or any other directives or rules of the IIML-EIC. The IIML-EIC may give 7 days’ notice before terminating any Company from the IIML-EIC. The decision of the IIML-EIC in this regard shall be final and binding upon Company. IIML-EIC shall not be under obligation to give any reason to Company for its removal from the IIML-EIC.

17. CONSEQUENCES OF TERMINATION

In the event of removal or termination of the Incubatee(s) from the IIML-EIC for any reason:

- 17.1 the Company shall immediately stop and refrain from using the IIML-EICs name, logo or any kind of intellectual property rights permitted by IIML-EIC;

17.2 the Company shall within 7 days of the removal or termination clear all the dues and outstanding amounts of the IIML-EIC.

17.3 the Company shall within 7 days of the removal or termination clear all its belonging and other items from the IIML-EIC.

18. NOTICE

Any notice or other document to be given under this Agreement shall be in writing and may be given to either of the Parties (as the case may be) by email as well as by first class post or other fast postal service at the addresses mentioned above in the Parties description.

19. LEGALLY BINDING

Unless otherwise indicated the obligations in this Agreement shall be legally binding. In the event of any dispute between the Incubatee(s) and the IIML-EIC, the IIML-EIC and Incubatee(s) shall use their best endeavors to resolve the dispute through amicable negotiations. If no settlement is reached. It shall be referred to the Governing Body of IIML-EIC, for arbitration, whose decision shall be final and binding.

20. EXPENSES& STAMP DUTY

20.1 Each Party hereto shall bear its own costs and disbursements of and incidental to the execution of this Agreement, including professional fees and costs of its respective advisors and counsel.

20.2 Company shall bear and pay the stamp duty on this Agreement.

21. WAIVER OR RESERVATION OF RIGHTS

No forbearance, indulgence or relaxation or inaction by any Party at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision. Any waiver or acquiescence by any Party of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any right under or arising out of this Agreement, or of the subsequent breach, or acquiescence to or recognition of rights other than as expressly stipulated in this Agreement.

22. SEVERABILITY

If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by applicable law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provisions.

23. EXIT

The Incubator shall be entitled to participate in any initial public offering undertaken by the Incubatee. Subject to the approval of the Incubatee, The Incubator shall have the right to exit from the Incubatee in any round of fund raising and equity investment undertaken by the Incubatee on the same terms or at such varied terms as agreed between the Parties. Alternatively, the Incubatee shall have the option to provide an exit for all the shares held by the Incubator in the Incubatee through a sale to a strategic or financial investor *or* buy-back the shares held by the Incubator at such price as mutually decided between the Parties and permissible under applicable Law, not exceeding the FMV as applicable at the time

24. FORCE MAJEURE

- a. Neither Party shall be liable for any failure or delay on its part in performing its obligations under this Agreement if such failure or delay is due to Force Majeure conditions in whole or in part makes it impossible for the other party to perform its obligations under this Agreement;
- b. The Party affected by such Force Majeure conditions shall forthwith notify the other Party of the nature and extent thereof and shall put in its best efforts to mitigate such condition. The performance of the obligations under this Agreement shall be suspended for the period during which the Force Majeure conditions continue. However, if the Force Majeure conditions prevail for a continuous period of fifteen (15) days, the Parties shall enter into bona fide discussion with a view of alleviating its effect on this Agreement by such alternative arrangement as may be fair and reasonable.

25. GOVERNING LAW

This Agreement shall be governed in all respects by the laws of the Republic of India.

26. DISPUTE RESOLUTION, JURISDICTION

- a. If any dispute arises between the Parties during the subsistence of this Agreement or thereafter, in connection with the validity, interpretation, implementation or alleged breach of any provision of this Agreement or regarding a question, including the question as to whether the termination of this Agreement by any Party hereto has been legitimate, the Parties hereto shall endeavor to settle such dispute amicably.
- b. In case of such failure, any of the Parties to the dispute shall be entitled to refer the dispute to a sole arbitrator, to be appointed by the Incubator.
- c. The Arbitration proceedings shall be governed by the Indian Arbitration Act, 1996. The place of arbitration shall be exclusively Noida and the cost of arbitration shall be shared equally by the parties. The arbitration proceedings shall be conducted in English and the arbitral award shall also be stated in English.
- d. The Parties agree that the arbitration award shall be final and binding on the Parties.

In witness whereof parties hereto have signed this Incubation Agreement on the date and year mentioned hereinbefore.

For IIM Lucknow Enterprise Incubation Center

<p>Founder1 Name:</p> <p>Signature: _____</p>	<p>Founder 2 Name:</p> <p>Signature: _____</p>	<p>IIM Lucknow Enterprise Incubation Centre</p> <p>Managing Director's Signature</p>
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SCHEDULE – “A”

INCUBATION CHARGES

Consideration for Incubation Services and Infrastructure

The consideration payable by the company for the use of the incubation centre facilities and infrastructure will be as follows:

Office Usage Rs.5,000 per seat per month

Chart attached for rentals applicable under different situations

Sl No	Rental Policy	Rate per Seat Per Month
1.	For occupancy beyond incubation Period (If permitted)	Rs.7000 per seat per month.
2.	For extra/second office space incubation period (If permitted)	Rs.5000 per seat per month.

The Incubation charges, as mentioned above, are in accordance with the Rules, Regulations and Policies of IIML-EIC and may be amended and changed any time and if so changed or amended, the changed and amended Incubation Charges shall be applicable to the Incubatee with immediate effect.

SCHEDULE – “B”

Obligations of the Incubatee and its Founder for allotment of the Equity Shares (Equity Compensation)

1. The Founders will transfer equity shares to the extent of 3% of Equity on fully diluted basis by executing Form No. SH-4 - Securities Transfer Form Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014 alongwith this agreement on the date of execution of this agreement.
2. The Board shall have passed appropriate resolutions for approving the Transfer of equity shares from Founders to the Incubator on submission of Form No. SH-4 - Securities Transfer Form to the company;
3. The Company shall have filed appropriate forms with the Registrar for the giving effect to the resolutions passed under this Clause and shall, where requested for by the Incubator, deliver to the Incubator, within 30 (thirty) days of such request, certified true copies thereof along with the receipt in respect of such forms;
4. The Company shall deliver to the Incubator duly stamped share certificates in relation to the Equity Shares allotted within 60 days from the date of execution of this agreement.
5. The Company shall update the register of member so as to reflect the Incubator as the holder of the Equity Shares allotted to him under this Agreement.
6. All of the obligations with regard to transfer of equity shares, shall be satisfied no later than 60 (sixty) days from the date of execution of this Agreement or such later date as may be mutually decided between the Parties.
7. The Incubator shall not be required to pay any consideration for the Equity Shares and the Equity Shares shall be issued in lieu of incubation services