

CAMPUS ANGELS NETWORK MEMBERSHIP FRAMEWORK AGREEMENT

Campus Angels Network Pvt Ltd

TERMS OF AGREEMENT

This Terms of Agreement (hereinafter referred to as the "Agreement") is executed on this [] day of [], 2023 ("Effective Date") at Chennai, India.

BY AND BETWEEN:

Campus Angels Network Pvt Ltd, a private limited company incorporated under the Companies Act, 2013 (18 of 2013), with its registered office Plot No. 21, East Coast Road, Karpagambal Nagar, Kottivakkam, Chennai, Tamil Nadu 600041, hereinafter referred to as "CAN", which expression shall, unless it is repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns) of the FIRST PART.

AND

[] s/o / d/o / w/o [] residing at [] (hereinafter referred to as "Investor" which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to mean and include his/its permitted assigns) of the SECOND PART

In this Agreement, unless the context otherwise requires, CAN and the Investor shall hereinafter be jointly referred to as "Parties" and severally as a "Party".

WHEREAS:

- A.** CAN is engaged in the business of nurturing and facilitate funding for innovative startups from university campus incubators that have achieved product market fit.
- B.** Investor is an individual who invests / proposes to invest in startups.
- C.** CAN wishes to give its membership to Investor and Investor herein expresses his/her willingness and acceptance to become a member of CAN as an Investor and sign this Agreement in acceptance of the provisions mentioned herein.

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NOW THIS AGREEMENT WITNESSES AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS: -

1. Eligibility and Representation

- 1.1** Investor hereby represents and acknowledges that he/she is an accredited investor as defined by the laws of India, capable of making investment decisions independently and assuming the associated risks without standard protections available under Securities laws to general investors.

2. Responsibility and Understanding

- 2.1** Investor understands and acknowledges that Campus Angels Network Pvt Ltd (CAN), its members, employees, and advisors shall not be held responsible for any investment decisions made by the Investor or any information, recommendation, or advice leading to an investment. The Investor shall solely bear the responsibility of understanding and verifying each investment case, making investment decisions, and monitoring and protecting the Investor's investments. There is no agency or partnership arrangement between the Member and CAN (or its members, employees, and advisors).

3. High-Risk Nature of Angel Investments

- 3.1** Investor is aware that angel investments involve substantial risks, and despite conducting due diligence, there is a high probability that the entire investment amount may be lost. Investor hereby represents that he/she has the financial capability and capacity to withstand the loss of the entire investment.

- 3.1.1** By entering into this Agreement, Investor agrees and acknowledges that:

- 3.1.2** Any investment through CAN in start-up ventures may not assure complete and full-fledged profits or any conviction of returns from the investments made by the Investor.

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- 3.1.3** Investor will make an informed decision to invest in these ventures, such that the Investor will be able to bear any loss arising out of such investments.
- 3.1.4** Invested startups may most likely not be able to pay any dividend throughout the life cycle of the investment.
- 3.1.5** Though not guaranteed in any form or manner, Investor's investment may generate income from a future sale of such investments for which a time frame cannot be ascertained; and
- 3.1.6** Any investment in startups is subject to dilution as the startups will likely raise additional capital in the future which may require further issuance of instruments to existing and/or new investors. Also, to incentivize the directors, employees or other service providers, the startups may also choose to issue shares or grant share options to them, which would also result in dilution of the shareholding. Further, new shares issued in subsequent fund raising(s) will rank pari-passu with the existing shares.

4. Investment Procedure

- 4.1** The Investor may consider investing in startups identified by CAN without any obligation.
- 4.2** CAN shall present the identified startups for investment purpose before the Investor through pitch day events. It is clarified that it does not mean that CAN is recommending that Investor shall make any investment in the Startups or that the businesses of such identified startups is likely to be successful or that CAN take any responsibility or will take any liability if these startups are not successful. The decision to make the investment shall be solely of the Investor, thus CAN does not purport to offer any investment advisory services.
- 4.3** Post pitch days, CAN shall send an 'Investment Interest Mail' specifying terms of investment and other details of the startups presented. Investor acknowledges and agrees that no part of the 'Investment Interest Mail' constitute an offer to subscribe to the securities of the startups. Investor further acknowledges and agrees that all the

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information is prepared by and provided to the Investor solely by the startups via CAN.

- 4.4** The Investor shall reply to the 'Investment Interest Mail' giving assent / dissent "Investor Response" to such proposed investment within such number of days as specified in the email. In the event, the Investor does not respond to the 'Investment Interest Mail', it shall be deemed as declined by the Investor.
- 4.5** Investor agrees and acknowledges that the investments in the startups are to be made in compliance with Companies Act, 2013. As such, startups are restricted from inviting offers for subscription of its shares from more than 200 persons (excluding QIBs and eligible employees). Therefore, even if the Investor has indicated a preliminary and non-binding intention to invest in a startup, the startups may not be in a position to make Investor a formal invitation to offer to subscribe to the securities.
- 4.6** Once an Investor Response is received by CAN, startups in consultation with CAN shall decide as to how much investment that can be made by the Investor. In case the amount available for investment is more than required amount, the investment shall be made on pari-passu basis.
- 4.7** The Investor shall make the investment / funds available to startups within such number of days as specified in the 'Call for Money' email. If the Investor fails to provide funds within the days specified in the email, the right to invest of the Investor shall lapse and an opportunity to invest shall be passed over to another Investor or other outside investor as may be decided by CAN. Subject to applicable laws, the shares would be issued in the name of the Investor.
- 4.8** Subject to Clause 5 hereto, CAN may consider recommendations from the Investors but shall have final and absolute right to identify startups, suggest investment in (including decision of amount and time of investment) identified startups as well as exit (fully or partially) from identified startups.

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- 4.9** Investor acknowledges that CAN does not guarantee the success of investments made in identified startups and the investment decision in identified startups is conscious, well thought and understood individual decision of Investor itself/himself.

5. Exit Procedure

- 5.1** In any transaction, the decision to exit or remain invested in such transaction shall be decided by majority of Investors who have invested through CAN in such transaction ("Majority Investors").
- 5.2** The Majority Investors shall comprise of the following:
- 5.2.1** 60% (sixty percent) of all the Investors by number, investing through CAN; and
- 5.2.2** 75% (seventy-five percent) of all the Investors by their investment amount, investing through CAN.
- 5.3** The decision of the Majority Investors as per above clause 5.1, either to exit or remain invested, shall be binding over the other Investors investing through CAN.

6. Restrictions on members during investment process

- 6.1** If Investor was already pursuing a deal of an identified startup before it came to CAN, then he would need to immediately notify CAN and such Investor will then be excluded from the process going forward for that particular deal, unless the Investor is agreeable to investing as an Investor of CAN on the terms of this Agreement.
- 6.2** If Investor has any conflict of interest in a deal of investment in a startup, the Investor needs to immediately notify CAN, who then be excluded from the process going forward for that particular deal.
- 6.3** Till the completion of all the steps as stipulated under Clause 4, Investor will neither have parallel discussions outside of the process nor enter into any separate understanding/agreement with the entrepreneur/authorized personnel of such startups.

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- 6.4** Once a deal of investment in startups has been declined by CAN, Investor is free to engage directly with the entrepreneur/authorized personnel of such startups in any manner the Investor wants.

7. Representations and warranties

Investor hereby represents, assures, and confirms as follows:

- 7.1** The Investor is a citizen of India (or a non-resident Indian) or a resident of any other country from where the investment is not prohibited under the Applicable Laws.
- 7.2** If Indian citizen, the Investor is a resident of India as contemplated under the Foreign Exchange Management Act, 1999, regulations framed under it and the Income-tax Act, 1961.
- 7.3** The Investor has read the terms and the conditions mentioned in this Agreement including the risk factors and accept the same unconditionally.
- 7.4** The Investor is not a party to or otherwise bound by any agreement which would in any way affect the performance of the Investor's obligations under this Agreement and there are no existing or threatened actions or proceedings against the Investor which, if decided against, would have a material adverse effect on the Investor or his business, properties and assets or on the Investor's ability to perform the obligations under this Agreement.
- 7.5** Any amount to be invested by the Investor in the startups is and will be through legitimate sources only and does not and will not involve and is not and will not be in contravention or evasion of the provisions of the Income Tax Act, 1961, Prevention of Money Laundering Act, 2002, Prevention of Corruption Act, 1988 and/or any other Applicable Law in force and also enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued thereunder.

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7.6 None of the following has occurred and is subsisting and no notice in connection therewith has been served in relation to the Investor:

7.6.1 An application to a court for an order, or the making of any order, that the Investor be declared an insolvent or any of his assets be placed in bankruptcy.

7.6.2 The taking of any action to seize, attach, take possession of or appoint a custodian, receiver, liquidator or manager in respect of any of the Investor's assets or property.

7.6.3 Any other event or condition, which could have a material adverse impact on the Investor's ability to make the investment.

7.7 The Investor is fully aware of the terms and conditions including risk factors mentioned in this Agreement and has accepted the same unconditionally.

7.8 CAN may, at any point of time, on its own or upon being directed by a regulatory agency under any applicable law seek additional documentation from the Investor to ascertain Investor's identity and sources of funds once again.

7.9 If after becoming a member of CAN as an Investor, Investor ceases to be eligible for membership or the Investor's representations and warranties made pursuant to this clauses 7 of this Agreement are not being satisfied, Investor shall immediately inform CAN and not use any rights, benefits etc. as provided under this Agreement, unless and until Investor has once again become eligible or is able to satisfy all the representations and warranties set forth in this Agreement.

8. Core Management Team

8.1 CAN has a central core team headed by its directors and team members to carry out the following:

- i. Create and develop investment opportunities.
- ii. Evaluate the opportunities at the first stage which includes initial interviews.

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- iii. Coach entrepreneurs for presentations to the investors.
- iv. Handle member recruitment, communications and relationships.
- v. Adherence to defined process for deal flows, end to end investment management process etc.
- vi. Coordinate due diligence and investments on behalf of the Investors.
- vii. Interact with Investors.
- viii. Handle publicity and public relations.
- ix. Help startups post investment, including exit management.

9. Affiliations

- 9.1** CAN will actively develop close ties with other early-stage investors such as state funds, venture capitalists, angel networks etc. to leverage the relationships and be able to make larger co- investments than what the Investors may be willing to do as well as with accelerators and other organizations who can provide value to CAN and its Startups.

10. Term and Termination

- 10.1** Subject to clause 10.2 herein below, this Agreement shall be effective for the period commencing from the “Effective Date”. and shall remain in force for the duration as mutually agreed amongst the Parties.
- 10.2** A Party may, in its sole discretion, with or without cause, terminate this Agreement by giving the other Party a written notice of 60 (sixty) days.
- 10.3** In the event, the Investor violates or breaches any of the provision of this Agreement or not fulfil any of the obligations mentioned in this Agreement, CAN has a right and the Investor shall be liable for forfeiture of the membership with CAN as an Investor of CAN; Examples of such breaches would be not honouring commitments to invest, non-payment of membership fees, violating any of the restrictions outlined above during the investment procedure, etc.
- 10.4** The termination of this Agreement shall not affect the operation of such clauses of this Agreement, which are intended to operate notwithstanding termination.

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10.5 On termination of this Agreement, the Investor shall be under an obligation to return all documents, records, information, policies related to the startups and CAN in possession of the Investor within seven (7) days of termination of this Agreement.

10.6 For the avoidance of doubt and notwithstanding anything-contained hereinabove, the termination shall not affect any subscription process that has been completed as required under the Companies Act, 2013.

11. Taxation

11.1 Investor agrees and acknowledges that he may be liable to pay taxes on any dividends or gains the Investor receives from the investments in the startups and that the payment of taxes is entirely the Investor's responsibility and shall be liable to bear them solely. Further, Investor agrees and acknowledges that the determination of the tax liabilities with respect to investments made via CAN is entirely the responsibility of the Investor and CAN bears no responsibility or liability in this regard.

11.2 Unless Investor provides the startups (via CAN) a valid tax-exempt certificate or any other information or documentation to CAN's satisfaction, startups shall deduct or withhold any taxes at source that may be required to be deducted at the maximum rate under the applicable law of India. For the avoidance of doubt, Investor shall not hold CAN or the startups liable for any deductions made on his/its behalf and shall indemnify and keep indemnified CAN or the startups (as the case may be), from and against any loss, damages, costs, expenses arising out of or in connection with any proceedings initiated against CAN and/or the Issuer Company in light of any deductions made on his behalf.

12. Liability

12.1 Investor undertakes to be solely responsible for any losses, damages, costs, expenses, claims and liabilities (including all consequential and indirect or special losses, loss of profit) suffered by CAN and/or its directors, employees, agents as a result of breach of the terms of this

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Agreement or by false or fraudulent representation or wilful misconduct of the Investor.

12.2 CAN and/or its directors, employees, agents shall not be liable for any losses, damages, costs, expenses, claims and liabilities (including all consequential and indirect or special losses, loss of profit) which Investor may suffer as a result of being a member of CAN.

12.3 Notwithstanding the foregoing, CAN and/or its directors, employees, agents shall not be liable to Investor for any losses, damages, costs, expenses, claims and liabilities arising out of or in relation to anything which is expressly excluded under this Agreement, or arising out of or in connection with any error or inaccuracy or incomplete information or data entered by the Investor or the startups or any misrepresentation or wilful misconduct or any other similar act of other Investors who are members of CAN.

13. Indemnification

13.1 The Investor agrees and undertakes to indemnify CAN and its directors, employees, agents from all liability, losses, damages, claims, demands, actions, judgements, fines, costs, reasonable attorney's fees, disbursements, and expenses which arise from or relate to a claim and expenses caused or suffered by the CAN and/or directors, employees, agents on account of a breach of terms and conditions mentioned hereunder by the Investor.

14. Governance

14.1 Based on this framework, the specific rules and processes will be communicated from time to time by CAN.

14.2 Members' engagement, breach, conflict issues etc. will be resolved by the committee ("Governance Committee") comprising of:

- i. Mr. K Chandran
- ii. Mr. Kritik Abiram Govindan
- iii. Mr V Vasanthakumar

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14.3 In case Investor has a complaint against the startups or CAN, then the Investor shall report such a grievance to the Governance Committee.

14.4 Within 2 (two) weeks of receipt of information, the Governance Committee shall reply to Investor via email or telephone call and inform the Investor of any steps that the Governance Committee may take including investigating the matter, hearing the parties or taking such other necessary action that may be necessary to redress the grievance. Governance Committee shall always keep the Investor informed of the steps that it is taking in the matter as well as final decision of the same. Investor agrees to provide all the co-operation that maybe necessary for the speedy remedy of the disputes.

14.5 Any dispute between the parties shall be referred to the Governance Committee. If the dispute remains unresolved, the same will be referred to arbitration as stated under Clause 18 hereunder.

15. Compliance with Membership Terms

15.1 Investor agrees to comply with the Membership Terms of CAN in force as of the date of signing this Agreement, and any amendments made thereto from time to time. The current Membership Terms forms part of this undertaking.

16. Confidentiality Obligations

16.1 Investor acknowledges and agrees to comply with the confidentiality requirements as set forth in the Membership Terms. Investor shall maintain the confidentiality of any non-public information shared with the Investor related to potential investment opportunities, startups, or other confidential matters.

17. Miscellaneous

17.1 Deal Champion

Any Investor may propose to act as 'Deal Champion' to the identified startups, subject to the approval of CAN. The engagement of such Investor as 'Deal Champion' shall be only as per the terms of 'Deal Champion Policy' of CAN.

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17.2 Mentorship and Support

Investor agrees to provide reasonable time to mentor early-stage business enterprises as required by CAN. Investor understands the importance of the Investor's expertise and experience in guiding and supporting startup founders.

17.3 Non-Assignment

Investor shall not assign any of his rights and obligations under this Agreement to any other third party, unless agreed in writing by CAN.

17.4 Notice

Any notice, approval, direction or instruction given under this Agreement shall be in writing and delivered by registered post, courier or e-mail to the registered office of the addressee. Notices and instructions will be deemed served within four (4) days after date of dispatch of the registered post/courier, and within twenty-four (24) hours from electronic mail being sent.

17.5 Entirety & Amendments

CAN may modify its policies, rules, regulations, plans and procedures from time to time. Any change in the Agreement due to such modifications or amendments, shall be binding upon the Parties.

17.6 Waivers and Remedies

The failure by any party at any time to enforce any of the terms, provisions, or conditions of this Agreement or to exercise any rights hereunder shall not constitute a waiver of the same or the party's right thereafter to enforce or to exercise the same.

17.7 Severability

If any provision of this Agreement is declared by any judicial or other competent authority to be void, voidable, illegal or otherwise unenforceable (or indications of the same are received by either of the Parties from any relevant competent authorities), the Parties shall amend such provisions in such reasonable manner which achieves the intention of the Parties without illegality.

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17.8 Counterparts

Each Party to this Agreement acknowledges that this Agreement contains the entire agreement between the Parties and supersedes any prior arrangement, understanding or agreements between the Parties hereto.

17.9 Governing Law

This Agreement shall be construed in accordance with the laws of India and subject to clause 18, the Parties agree to submit to the exclusive jurisdiction of the Courts in Chennai.

18. Arbitration and Dispute Resolution

18.1 The Parties to this Agreement hereby agree that they intend to discharge their obligations in utmost good faith. The Parties therefore agree that they will, always, act in good faith, and make all attempts to resolve all differences howsoever arising out of or in connection with this Agreement by discussion failing which, by arbitration.

18.2 The Parties agree that the discussions shall be held in the spirit of resolution of the issues that have arisen between them with the intention of resolving the issues amicably at the earliest. If the applicant is not satisfied with the outcome of the discussions, within 15 (fifteen) days from the receipt of the response, it shall resort to arbitration.

18.3 The Parties shall be bound to submit all disputes and differences howsoever arising out of or in connection with the investment. The Arbitration shall be held before A Sole arbitrator of exemplary qualifications and stature, who shall be selected by CAN. The arbitration shall in all be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

18.4 The arbitrator/s shall be Person/s of professional repute who is/are not directly or indirectly connected with any of the Parties to this Agreement and have prior experience as arbitrator.

18.5 The seat of arbitration shall be Chennai. The language to be used in the arbitration proceedings shall be English.

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IN WITNESS WHEREOF, the parties have signed this Agreement on this date and year hereinabove mentioned.

FOR CAMPUS ANGELS NETWORK PRIVATE LIMITED (CAN)	MEMBER
(Name) Authorized Signatory	
Place: Chennai	Place:
Date:	Date:

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ANNEXURE

Member Terms and Conditions

1. Membership Application and Approval

- 1.1. Prospective members must complete the membership application form provided by CAN.
- 1.2. Membership approval shall be subject to verification of the applicant's eligibility and adherence to the membership criteria set forth by CAN.

2. Fees and Charges

2.1 Members will be required to pay:

- 2.1.1 Annual membership fee of ₹25,000/- (Rupees Twenty-Five Thousand Only). This fee is non-refundable and subject to change at the discretion of CAN.
- 2.1.2 Transaction fee of 2% (Two Percent Only) of the amount invested in startups.
- 2.1.3 Carry Fee of 10% (Ten Percent Only) on the upside received during exits.

2.2 GST and other levies will be extra, as applicable.

3. Confidentiality

- 3.1 Members shall maintain the confidentiality of any information shared by CAN, startup companies, or other members during their engagement with the network.
- 3.2 Members shall not disclose or use any confidential information for purposes other than evaluating investment opportunities.

4. Code of Conduct

Members are an integral part of our community and contribute significantly to our mission of mentoring and investing in early-stage startups. To maintain a supportive and productive environment for all members, we expect each member to adhere to the following Code of Conduct.

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4.1 Professionalism and Respect

- 4.1.1** Treat all fellow members, startup founders, and CAN staff with respect and courtesy.
- 4.1.2** Refrain from engaging in any form of discrimination, harassment, or offensive behaviour.

4.2 Confidentiality

- 4.2.1** Maintain the confidentiality of all non-public information shared during pitch sessions, networking events, or any other interactions related to CAN or startups.
- 4.2.2** Do not share confidential information with third parties without proper authorization.

4.3 Use of Contact Information

- 4.3.1** Member contact information is considered privileged and confidential. Do not share it with non-members without obtaining express consent from the respective member.
- 4.3.2** When contacting other members, consider using direct communication methods, such as phone calls or emails, instead of involving CAN staff unnecessarily.

4.4 Email Communication

- 4.4.1** Refrain from adding CAN member email addresses to forwards, jokes, or general information emails to avoid potential spam or unsolicited communication.
- 4.4.2** Use CAN group emails and communication channels for discussions specifically related to CAN or the startup ecosystem.

4.5 WhatsApp Group Guidelines

- 4.5.1** The CAN WhatsApp group is intended for CAN-related discussions and updates related to the startup ecosystem.
- 4.5.2** Avoid individual chatting, sending personal greetings, or sharing unrelated content in the grp.

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4.5.3 Refrain from discussing sensitive topics, including politics, religion, or controversial subjects.

4.5.4 Do not use the group for solicitation or promotion of personal business ventures.

4.6 Announcements and Event Communication

4.6.1 All announcements concerning accolades received by individual members or the conduct of events should be routed to the Group Admin or CAN Management for consideration and circulation.

4.6.2 Avoid excessive or unnecessary replies to group emails. Respond directly to the sender or CAN Secretariat unless requested otherwise.

4.7 Conflict of Interest

4.7.1 Disclose any potential conflicts of interest when considering investment opportunities or participating in discussions related to startups.

4.7.2 Act ethically and transparently when dealing with situations that may present conflicts of interest.

4.8 Compliance and Accountability

4.8.1 Adhere to all CAN policies, procedures, and investment guidelines.

4.8.2 Take responsibility for your investment decisions and the outcomes of those decisions.

4.9 Consequences of Violations

4.9.1 Violations of this Code of Conduct may result in disciplinary action, including warnings, temporary suspension, or termination of membership, at the discretion of CAN.

By adhering to this Code of Conduct, you contribute to creating a positive and supportive community within CAN. Your commitment to professionalism and ethical behaviour enriches our ecosystem and helps us achieve our collective goals.

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By signing below, I acknowledge that I have read, understood, and agree to abide by the Member Terms and Conditions set forth by CAN.

Signature: _____

[Member's Full Name]

Date: _____