

SUBSCRIPTION AGREEMENT

BETWEEN

CAPILLARY TECHNOLOGIES INDIA PRIVATE LIMITED

AND

CAPILLARY PTE. LIMITED

DATED AUGUST 30, 2021

SUBSCRIPTION AGREEMENT

This subscription agreement ("**Agreement**") is made on August 30, 2021 ("**Execution Date**") by and between:

- (1) **CAPILLARY TECHNOLOGIES INDIA PRIVATE LIMITED**, a private company incorporated under the Companies Act, 1956 (India), having its registered address at Srinidhi, #43/61, 1st Floor, Surveyor's Street, Basvangudi, Bangalore 560004, Karnataka, India (hereinafter referred to as "**Capillary India**", which expression shall, unless the context requires otherwise, mean and include its successors and permitted assigns); and
- (2) **CAPILLARY PTE. LTD.**, a private company incorporated in Singapore, having its registered address at 68 Circular Road, #02-01, Singapore (049422) (hereinafter referred to as "**CPL**", which expression shall, unless the context requires otherwise, mean and include its successors and permitted assigns);

Capillary India and CPL are hereinafter collectively referred to as the "**Parties**" and individually referred to as a "**Party**".

WHEREAS:

- (A) The issued and paid-up share capital of CPL as on the Execution Date is set out in Part A **SCHEDULE 1**.
- (B) Capillary India has agreed to subscribe to the Subscription Shares (*as defined below*) for the Subscription Amount (*as defined below*) ("**CPL Subscription**").
- (C) The share capital of CPL on fully diluted basis after the consummation of the CPL Subscription, on the Completion Date is set out in Part B of **SCHEDULE 1**.
- (D) The Parties have, in consideration for the mutual rights and obligations set out herein, agreed to enter into this Agreement for the purposes of recording the terms and conditions upon which the CPL Subscription shall be undertaken.

NOW THEREFORE IT IS AGREED BY AND AMONG THE PARTIES HERETO AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

"**Affiliate**" shall mean, in relation to any Person, any entity Controlled, directly or indirectly, by that Person, any entity that Controls, directly or indirectly, that Person, or any entity under common Control with that Person or, in the case of a natural Person, any relative of such Person;

"**Business Day**" means a day (other than a Saturday or Sunday) when commercial banks are open for ordinary banking business in Bangalore and Singapore;

"**Completion**" means the completion of the actions to be undertaken by the respective Parties in **SCHEDULE 2**;

“**Completion Date**” shall mean the date of completion of the last of the actions set out to occur at Completion in accordance with **SCHEDULE 2**;

“**Control**” (including, with its correlative meanings, the terms “**Controlled by**” or “**under common Control with**”) shall mean: (a) the possession, directly or indirectly, of the power to direct, or cause the direction of, management and policies of a Person whether through the ownership of voting securities, by agreement or otherwise, or the power to elect more than half of the directors, partners or other individuals exercising similar authority with respect to a Person; or (b) the possession, directly or indirectly, of a voting interest in excess of 50% (fifty percent) in a Person;

“**CPL Bank Account**” shall mean the bank account of CPL, the details of which are set out below:

Account Name	Capillary Pte Ltd
Bank	HSBC Offshore
Address	HSBC BUILDING, LEVEL 14, 21 COLLYER QUAY - Post / ZIP Code: 049320
Account	260-492095-178
Swift code	HSBCSGSG

“**CPL Subscription**” has the meaning given to it in Recital (C);

“**Encumbrance**” means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Law, (ii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person and (iii) any adverse claim as to title, possession or use;

“**Government Agency**” shall mean any relevant governmental or quasi-governmental authority, statutory authority or quasi-statutory or regulatory authority, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or stock exchange or taxing authority or anybody entitled to exercise executive power or power of any nature or body or other organisation to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or other organisation have the force of applicable Law.

“**Law**” or “**Laws**” shall mean and include all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, rules of common law, permits, licenses, approvals, consents, authorisations, directions, directives, rulings and orders of any Government Agency, statutory authority, tribunal, arbitration body, board, court or any recognized stock exchange(s) on which the shares of the relevant Party may be listed, or any interpretation, policy or administration, having the force of law, by any Government Agency having jurisdiction over the matter in question.

“**Loss**” or “**Losses**” shall mean any and all direct and actual losses, liabilities, obligations, claims, costs, demands, actions, suits, judgments, awards and proceedings, but shall not include any

indirect, consequential, special or remote losses, loss of profits or opportunity cost;

“Person” means a corporation, association, unincorporated association, partnership (general or limited), joint venture, estate, trust, limited liability company, limited liability partnership or any other legal entity, individual or government, state or agency of a state;

“SGD” or **“Singapore Dollars”** shall mean the lawful currency of Singapore;

“Subscription Amount” means an amount of USD 10,250,000 (United States Dollars Ten Million and Two Hundred Fifty Thousand);

“Subscription Shares” means 138,51,35,135 (One Hundred Thirty Eight Crore Fifty One Lac Thirty Five Thousand One Hundred Thirty Five Ordinary shares ordinary shares to be issued by CPL, of USD 0.0074 (United States Dollars Zero point Zero Zero Seven Four) each;

“USD” or **“United States Dollars”** shall mean the lawful currency of the United States of America.

- 1.2 In the interpretation of this Agreement, the following rules shall apply unless otherwise indicated by the context:
- 1.2.1 Words using the singular or plural number also include the plural or singular number, respectively;
 - 1.2.2 Where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
 - 1.2.3 The terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to this entire Agreement or specified Clauses of this Agreement, as the case may be;
 - 1.2.4 The term “Clause” refers to the specified clause of this Agreement;
 - 1.2.5 The words “directly or indirectly” mean directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and the terms “direct or indirect” shall have the correlative meanings;
 - 1.2.6 Clauses, headings, bold typeface, index, titles and Schedule headings are only for convenience and shall be ignored for the purposes of interpretation;
 - 1.2.7 Reference to any legislation or applicable Law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to statutory provision shall include reference to any subordinate legislation made from time to time under that provision;
 - 1.2.8 Reference to the words “include” or “including” shall be construed without limitation;
 - 1.2.9 The Schedules hereto shall constitute an integral part of this Agreement;
 - 1.2.10 Any word or phrase defined in the body of this Agreement shall have the meaning assigned to it therein, unless the context otherwise requires

1.2.11 If any provision in Clause 1.2 is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive provision in the body of this Agreement; and

1.2.12 When any number of days is prescribed in any document, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding day that is a Business Day.

2. CPL SUBSCRIPTION

2.1 Subject to the terms of this Agreement (including the fulfilment of the Conditions Precedent (*defined herein below*) by the relevant Parties), on the Completion Date, CPL shall issue the Subscription Shares to Capillary India, and Capillary India shall subscribe to the Subscription Shares, free of all Encumbrances, in exchange for the Subscription Amount to be paid by Capillary India to CPL.

2.2 On the Completion Date, the Subscription Shares to be issued under this Agreement to Capillary India shall be issued and allotted free from all Encumbrances and shall be credited as fully paid, subject to receipt of the Subscription Amount.

3. CONDITIONS PRECEDENT

3.1 The obligation of Capillary India to subscribe to the Subscription Shares in consideration of Subscription Amount, at Completion, is in all respects conditional upon fulfilment (or waiver by Capillary India) on or prior to the Completion Date of the following conditions precedent by CPL ("**Conditions Precedent**"):

(a) CPL shall have obtained all relevant corporate and other approvals and consents (including any consents from its shareholders under its constitutional documents or shareholders' agreement(s)) and approvals from Governmental Agencies, creditors and third parties necessary for consummation of the transactions contemplated at Completion.

(b) CPL shall have performed and complied in all respects with all of its obligations under the Agreement and there shall have been no breach of any such Agreement.

(c) Each of the representations and warranties provided by CPL in this Agreement being true and correct.

3.2 Waiver of Conditions Precedent

Notwithstanding anything in this Agreement, subject to applicable Laws, Capillary India shall have the right at its discretion to waive any of the Conditions Precedent, by notifying CPL in writing to this effect. Subject to applicable Law, the Parties may also in lieu of performance of any Condition Precedent require that such Condition Precedent, be treated as conditions subsequent and are to be performed within such period after Completion as the Party may direct.

4. COMPLETION

4.1 Completion shall take place on the Completion Date in a manner agreed between CPL and Capillary

India.

4.2 At Completion, each Party shall undertake the actions set out to be performed by such Party in **SCHEDULE 2**.

4.3 The obligations of each Party in this Clause 4 are interdependent on each other. Completion shall not occur unless all of the obligations specified in this Clause 4 are complied with and are fully effective. Notwithstanding the provisions of this Clause 4, all actions to be taken and all documents to be executed and delivered by the Parties hereunder at Completion and the coming into effect on the Completion Date of all the documents referred to in this Agreement, shall be deemed to have been taken and executed and to have come into effect simultaneously and no actions shall be deemed to have been taken nor documents executed or delivered and no documents shall be deemed to have come into effect on the Completion Date until all such documents have been taken, executed, delivered and have come into effect.

5. POST-COMPLETION OBLIGATIONS

5.1 CPL shall deliver duly executed share certificate with respect to the Subscription Shares in favor of Capillary India and a copy of the electronic register of members evidencing Capillary India's full legal and beneficial ownership in the Subscription Shares at the earliest possible.

5.2 CPL shall ensure that Capillary India receives shares certificates or any other document as an evidence of holding the CPL Subscription Shares to the satisfaction of the Reserve Bank of India, within six months from the date of issuance of CPL Subscription Shares.

6. REPRESENTATIONS AND WARRANTIES

6.1 Each Party represents and warrants to the other Parties that:

6.1.1. it is duly incorporated and validly existing under applicable Law of the jurisdiction of its incorporation.

6.1.2. the execution and delivery and performance of this Agreement by it does not (a) require any further consent or consent of any Person or Governmental Agency, except as contemplated in this Agreement; (b) violate any applicable Law or its constitution documents; or (c) violate or contravene the provisions of or constitute a default under or impose any lien under any documents, contracts, agreements or any other instruments to which it is a party or which are applicable to it.

6.1.3. it has the power and authority to execute, deliver and perform this Agreement; and

6.1.4. the execution and delivery of this Agreement constitutes legal, valid and binding obligations of such Party, enforceable against such Party in accordance with its terms.

6.2 CPL represents and warrants to Capillary India that upon issue of the Subscription Shares to Capillary India, Capillary India shall be the sole legal and beneficial owner of the Subscription Shares, free from all Encumbrances.

6.3 The representations and warranties set out in this Clause 6 shall be deemed to be repeated as at the Completion Date, as if they were made on and as of the Completion Date.

6.4 Each Party shall provide prompt notice in writing of any event, condition or circumstance (whether existing on or before the Execution Date or arising thereafter) that would cause any of the representations and warranties set out in this Clause 6 provided by it to become untrue or inaccurate or misleading in any respect, without prejudice to Clause 7 (*Indemnification*) or Clause 9 (*Term and Termination*).

6.5 Each representation and warranty shall be construed as a separate representation and warranty, as the case may be, and shall not be limited by inference from the terms of any other representation or warranty or by any other term of this Agreement.

7. INDEMNIFICATION

7.1 Each Party undertakes to indemnify, defend, hold harmless and keep the other Parties, and such other Parties' Affiliates, directors, officers and employees ("**Indemnified Persons**") indemnified against any and actual claims and all Losses which it has or may suffer or incur from any breach of the representations and warranties made by such Party to such other Parties under this Agreement.

7.2 The maximum amount for which a Party shall be liable to indemnify the relevant Indemnified Persons with respect to any Losses shall be the sum equal to the value of the CPL Subscription Amount.

8. TERM AND TERMINATION

8.1 Term

This Agreement shall come into effect on the Execution Date and shall remain valid and binding on the Parties until such time that it is terminated in accordance with clause 8.2 herein below.

8.2 Termination

This Agreement may be terminated:

- (i) by any Party forthwith, in the event that any other Party commits a material breach of the terms of this Agreement; or
- (ii) by mutual agreement between the Parties in writing.

8.3 Notwithstanding the above, Clause 1 (Definitions and Interpretation), Clause 6 (Representations and Warranties), Clause 7 (Indemnification), Clause 10 (Confidentiality), and Clause 11 (Governing Law and Dispute Resolution) shall survive the expiry or termination of this Agreement. Any provision and obligation of the Parties relating to or governing their acts, which expressly or by its nature survives termination or expiration of this Agreement, shall be enforceable with full force and effect notwithstanding such termination or expiration, until it is satisfied in full or unless its nature expires.

9. NOTICE

Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and signed by or on behalf of

the Party giving it (where such notice is delivered by hand or courier). Such notice shall be served by sending it by facsimile to the number set forth below or by delivering it by hand, mail or courier to the address set forth below. In each case it shall be marked for the attention of the relevant Party set forth below. Any notice so served shall be deemed to have been duly given (i) in case of delivery by hand, when hand delivered to the other Party; or (ii) when sent by facsimile, upon transmission; or (iii) when sent by mail with acknowledgment due, where 7 (seven) Business Days have elapsed after deposit in the mail with certified mail receipt requested postage prepaid; or (iv) when delivered by courier on the 2nd (second) Business Day after deposit with an overnight delivery service, postage prepaid, with next Business Day delivery guaranteed, provided that the sending Party receives a confirmation of delivery from the delivery service provider; or (v) for electronic mail notification with return receipt requested, upon the obtaining of a valid return receipt from the recipient. Each Person making a communication hereunder by facsimile shall promptly confirm by telephone, regular mail or electronic mail to the Person to whom such communication by facsimile was addressed, each communication made by it by facsimile pursuant hereto but the absence of such confirmation by telephone, regular mail or electronic mail shall not affect the validity of any such facsimile communication.

If to Capillary India:

Address : #43/61, 1st Floor, "Srinidhi", Surveyors Street, Basavangudi,
Bengaluru - 560004
Attention : Mr. Aneesh Reddy Boddu
Email : Aneesh@capillarytech.com

If to CPL:

Address : 68 Circular Road,#02-01, Singapore-049422
Attention : Mr. Aneesh Reddy Boddu
Email : Aneesh@capillarytech.com

10. CONFIDENTIALITY

- 10.1 Each Party shall keep all information relating to each other Party, including information relating to the transactions herein and under this Agreement (collectively referred to as the "**Information**") confidential. None of the Parties shall issue any public release or public announcement or otherwise make any disclosure concerning this Agreement and/or the transactions herein, without the prior approval of the other Party; provided however, that nothing in this Agreement shall restrict any of the Parties from disclosing any information as may be required under applicable Law subject, to the extent permitted, to providing a prior written notice of 3 (three) Business Days to the other Party. Subject to applicable Law, such prior notice shall also include (i) the details of the Information intended to be disclosed along with the text of the disclosure language, if applicable; and (ii) the disclosing Party shall also cooperate with the other Party to the extent that such other Party may seek to limit such disclosure, including taking all reasonable steps to resist or avoid the applicable requirement, at the request of the other Party.
- 10.2 Nothing in this Clause 10 shall restrict any Party from disclosing Information for the following purposes:
- (i) to the extent that such Information is in the public domain other than by breach of this Agreement;

- (ii) to the extent that such Information is required to be disclosed by any applicable Law, stated policies or standard practice of either Party or which is required to be disclosed to any Government Agency to whose jurisdiction such Party is subject or with whose instructions it is customary to comply;
- (iii) to the extent that any Information is later acquired by such Party from a source not obligated to any other Party hereto or its Affiliates, to keep such Information confidential;
- (iv) insofar as such disclosure is reasonably necessary to such Party's or such Party's Affiliates' employees, directors or professional advisers, provided that such Party shall procure that such employees, directors or professional advisers treat such Information as confidential;
- (v) to the extent that any of such Information was previously known or already in the lawful possession of such Party, prior to disclosure by any other Party hereto; and
- (vi) to the extent that any information, materially similar to the Information has been independently developed by such Party without reference to any Information furnished by any other Party hereto.

11. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement shall be governed by and be construed in accordance with the laws of India, without regard to the principles of conflicts of laws. The Courts of Bangalore shall have exclusive jurisdiction over any disputes arising out of this Agreement.

12. MISCELLANEOUS

12.1 Relationship

Neither Party shall have any right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or to otherwise bind, the other Party, except as expressly provided by this Agreement. Nothing in this Agreement shall be interpreted or construed to create an association or partnership between the Parties or to impose any liability attributable to such relationship upon any of the Parties nor, unless expressly provided otherwise, to constitute any Party as the agent of any of the other Parties for any purpose. No Party has the power or the right to bind, commit or pledge the credit of any other Party.

12.2 Counterpart

This Agreement may be executed in any number of originals or counterparts, each in the like form and all of which when taken together shall constitute one and the same document, and any Party may execute this Agreement by signing any one or more of such originals or counterparts.

12.3 Amendment

No amendment to this Agreement shall be binding on any Party unless such amendment is in writing and duly signed by both Parties.

12.4 No Assignment

Except as provided in this Agreement, neither Party may assign its rights or obligations hereunder

without the prior written consent of the other Parties.

12.5 Waiver

No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorised representative of the waiving Party.

12.6 Severability

Each right and obligation under this Agreement shall be treated as a separate right or obligation and shall be severally enforceable as such. To the extent that any provision of this Agreement is or becomes invalid or unenforceable they shall be deemed to be deleted from this Agreement, and any such deletion shall not affect the enforceability of the remainder of this Agreement not so deleted, provided the fundamental terms of the Agreement are not altered and that the Parties shall negotiate in good faith with respect to an equitable modification of the provision held to be invalid or unenforceable.

12.7 Entire Agreement

This Agreement constitutes the whole agreement between the Parties relating to the subject matter hereof and supersedes any prior arrangements whether oral or written, relating to such subject matter.

12.8 Further Assurances

Each Party shall, at any time and from time to time upon the written request from the other Parties promptly and duly execute and deliver all such further instruments and documents, and do or procure to be done all such acts or things, as the other Parties may reasonably deem necessary or desirable in obtaining the full benefits of this Agreement and of the rights (including enforcement rights) and ownership herein granted.

12.9 Cumulative Rights

All remedies of any Party under this Agreement whether provided herein or conferred by statute, civil law, common law, custom, trade, or usage are cumulative and not alternative and may be enforced successively or concurrently.

12.10 Expenses

All stamp duty costs, transfer fees and transfer taxes and other similar impositions payable in relation to the consummation of the transactions contemplated under this Agreement shall be borne by Capillary India or CPL as may be mutually agreed between the Parties.

SCHEDULE 1

PART A

ISSUED AND PAID-UP SHARE CAPITAL OF CPL ON EXECUTION DATE

Name of Shareholder	Number of Shares	Percentage (%)
Capillary Technologies International Pte Ltd	100 Ordinary Shares of S\$0.01 per share	100%

PART B

ISSUED AND PAID-UP SHARE CAPITAL OF CPL ON COMPLETION DATE

Name of Shareholder	Number of Shares	Percentage (%)
Capillary Technologies International Pte Ltd	100 Ordinary Shares of S\$0.01 per share	0.0000001%
Capillary Technologies India Pte Ltd	138,51,35,135 Ordinary Shares of USD 0.0074 per share	99.999999%

SCHEDULE 2

COMPLETION ACTIONS

1. Capillary India shall file the Form ODI with the designated branch of its authorized dealer bank, along with the requisite annexures including the applicable statutory auditor's certificate and Form A-2, in accordance with applicable Laws, with respect to the CPL Subscription.
2. Capillary India to remit the Subscription Amount to CPL to the CPL Bank Account.
3. CPL shall deliver to Capillary India a copy of the resolutions for (a) approving the allotment of the Subscription Shares to Capillary India; (b) directing the name of Capillary India to be entered in the electronic register of members of CPL as the registered holder of the Subscription Shares; and (c) approving the issuance of share certificate in respect of the Subscription Shares to Capillary India.]
4. CPL shall allot and issue to Capillary India the Subscription Shares credited as fully paid and lodge the relevant return of allotment with the Accounting and Corporate Regulatory Authority of Singapore to update CPL's electronic register of members to reflect Capillary India as the holder of the Subscription Shares.

[Signature page follows]

IN WITNESS WHEREOF each Party has executed this Agreement or caused this Agreement to be executed by its duly authorised representatives.

FOR CAPILLARY TECHNOLOGIES INDIA PRIVATE LIMITED

G. Bhargavi



Name: G.Bhargavi Reddy
Designation: Company Secretary

FOR CAPILLARY PTE. LTD.

B. Aneesh Reddy

Name: Aneesh Reddy Boddu
Designation: Director

[Signature page to the Subscription Agreement dated August 30, 2021 between Capillary Technologies India Private Limited. and Capillary Pte. Ltd.]