

SERVICES CONTRACT

By and Between

1. ELG Inc (PRIVATE) LIMITED

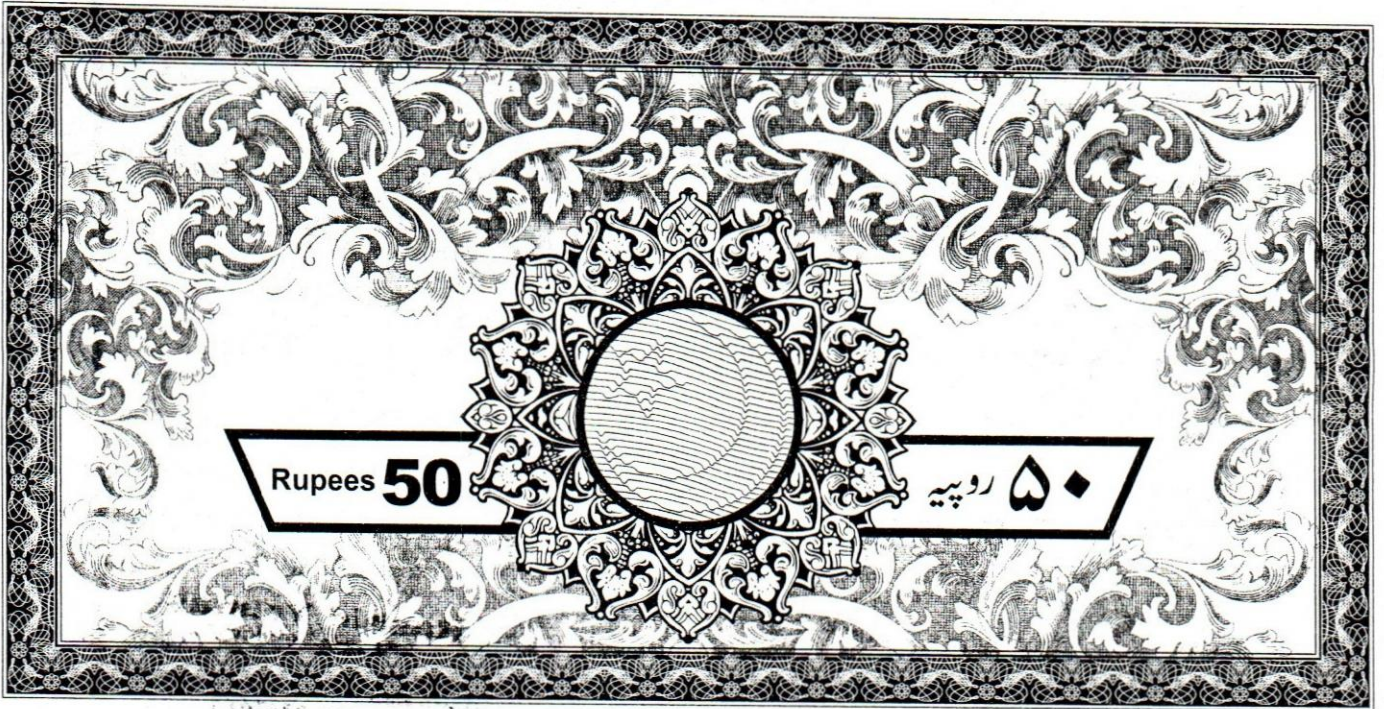
AS THE COMPANY

AND

2. NATIONAL UNIVERSITY OF SCIENCES AND TECHNOLOGY.
AS NUST

FOR THE PROVISION OF SERVICES

Dated: 12 Sept, 2018



SERVICES CONTRACT

THIS SERVICES CONTRACT (hereinafter referred to as the "Contract") is executed at Islamabad, on this the 12 day of Sep 2018, (the "Execution Date") by and between:

1. National University of Sciences and Technology, a national university established under the National University of Science and Technology Act, 1997 (Act No. XX of 1997) having its registered office at CIE, RIC Secretariat, NUST Main Campus, Islamabad, Pakistan through its authorized representative, i.e. GM TIC-NUST, _____, holding CNIC No.42301-1097251-1, (hereinafter referred to as "**NUST**", which expression shall unless repugnant to the context, mean and include its administrators, authorized representatives, successors-in-interest, and permitted assigns) of the **FIRST PART**;

AND

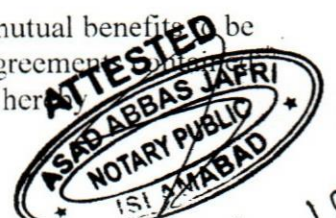
2. ELG, Inc, a start-up duly formed under the laws of Pakistan and having its registered office at Ambley chowk, Faisal Karahi [insert name and address] through its authorized representative NOVIAN SIDIQ [insert name, designation] holding CNIC No. 42201 22340511 (hereinafter referred to as the "**Company**", which expression shall unless repugnant to the context, mean and include its administrators, authorized representatives, successors-in-interest, and permitted assigns) of the **SECOND PART**;

(NUST and the Company shall hereinafter collectively be referred to as the "**Parties**" and individually as the "**Party**").

WHEREAS

- A. The Company is a start-up that wishes to be a part of NUST's acceleration program whereby NUST shall immerse the Company in the Silicon Valley ecosystem in exchange for equity stake in the Company.
- B. The Parties are desirous of entering into a business collaboration whereby the Company wishes to procure the expertise and services of NUST for the usage of NUST's network to connect with the Silicon Valley ecosystem which the start-up shall use for its business development and, in return, the Company, as consideration for the services provided by NUST, shall transfer five percent (5%) of its shareholding in the Company to NUST upon the terms and conditions of this Contract.

NOW, THEREFORE, in view of the foregoing and in consideration of the mutual benefits to be derived and the representations and warranties, covenants, undertaking and agreement herein and other good and valuable consideration, the sufficiency of which is hereby



Notary

acknowledged and intending to be legally bound, the Parties hereby agree as follows:

1. INTERPRETATION

1.1 Definitions

- a) "**Contract**" shall mean this ServicesContract;
- b) "**Encumbrance**" shall mean any pledge, charge, lien, mortgage, debenture, hypothecation, security interest, pre-emption right, option and any other encumbrance or third party right or claim of any kind;
- c) "**Execution Date**" shall mean the date of execution of this Contract as mentioned in the preamble above;
- d) "**Force Majeure**" shall mean any circumstances beyond the reasonable control of a Party including but not limited to acts of God, sabotage, insurrection, terrorism, riots, hostilities, war (whether declared or not) or other political events (including unrest), governmental acts, radioactive contamination or ionizing radiation, strikes or lockouts, fire, lightning, earthquake, tsunami, flood, storm, cyclone, typhoon, tornado, epidemic or plague, explosion, vandalism, malicious damage, which makes that Party's performance of its obligations under this Contract impossible;
- e) "**Services**" shall mean the services to be provided by NUST to the Company under the terms of this Contract as described in clause 2.1 and detailed in Schedule A of this Contract;
- f) "**Shareholders Agreement**" shall mean the shareholders agreement for the Company which shall be executed between NUST, existing and all future shareholders of the Company, as defined under clause 3.4 of this Contract;
- g) "**Term**" shall mean the term of this Contract as described in clause 2.2 of this Contract; and
- h) "**Transfer of Shares**" shall mean the transfer of five percent (5%) shares by the Company to NUST as consideration for the Services procured by the Company from NUST.

1.2 Use of the singular shall include the plural and vice versa and any one gender includes all the genders and any reference to persons includes natural persons, firms, partnerships, companies and bodies corporate.

1.3 Section and clause headings are for ease of reference only and are not to affect the interpretation of this Contract.

1.4 Any reference to a law, rule, regulation, notification or any section thereof will be deemed to include reference to any modification, amendment or re-enactment thereof for the time being in force and all instruments, orders, regulations, by-laws, permissions and directions at any time made thereunder.

1.5 If any provision in a definition of this Contract is a substantive provision conferring rights or imposing obligations then, notwithstanding that it is only in the definitions clause of this Contract, effect shall be given to it as if it was a substantive provision in the body of this Contract.

1.6 The Recitals and Schedules to this Contract shall have effect and be construed as an integral part of this Contract, but in the event of any conflict or discrepancy between any of the provisions of this Contract and the Recitals or Schedules, such conflict or discrepancy shall, for the purposes of the interpretation and enforcement of this Contract, be resolved by giving the provisions contained in the clauses of this Contract priority and precedence over the provisions contained in the Recitals or Schedules to this Contract.

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2. SERVICES

- 2.1 The Parties hereby agree that NUST shall provide the services of using its network to connect the Company with the Silicon Valley ecosystem as detailed in Annexure – A attached heretoin accordance with the terms and conditions laid down in this Contract (the “**Services**”) against which the Company shall transfer five percent (5%) of its ordinary shares in the Company to NUST.
- 2.2 **Term:** The term of this Contract shall be for a period of one (1) year during which NUST shall provide the Services to the Company (the “**Term**”). Any extension of the Term shall be mutually agreed in writing by the Parties.
- 2.3 NUST shall provide the Services to the Company within the Term or any extension thereof. However, for the avoidance of any doubt, it is made clear here, that after the expiry of the Term of this Contract, as specified in clause 2.2 above, the rights of NUST over the shareholdings of the Company shall not be forfeited.
- 2.4 During the Term of this Contract, NUST shall conduct quarterly meetings with the Company’s representatives to provide and discuss progress reports of the Services provided by NUST and to obtain the Company’s advice and suggestions on the same.

3. PAYMENT

- 3.1. NUST hereby agrees and acknowledges that for the total cost of PKR1/- (Pakistani Rupees One only) and for the Services NUST is responsible to provide under clause 2.1 above, the Company shall transfer five percent (5%) of its total equity in the Company to NUST free from any Encumbrance and/or claims or rights of third parties of whatsoever nature together with all rights attaching or accrued in respect of the same (the “**Transfer of Shares**”).
- 3.2. The Parties hereby agree that the Transfer of Shares in its entirety shall take place simultaneously with the execution of this Contract on the Execution Date, upon the terms and conditions of this Contract. The company is legally obliged to provide complete financial visibility to appointed representatives of NUST.
- 3.3. Wherever applicable, the Company is obliged to convert its legal form into a private limited company and transfer shareholding of 5% to NUST within the term of this Contract. If the Company is already a private limited company, new shares are to be issued such that 5% shareholding of NUST is established.
- 3.4. The Transfer of Shares provided under clause 3.1 and 3.2 above shall be subject to: (i) simultaneous execution of a shareholders agreement between the Parties which shall cover matters related to the governance and management of the Company (the “**Shareholders Agreement**”) and (ii) the Parties at all times complying with the terms and conditions of this Contract and the representations and warranties remaining true and effective; and the rights, privileges, restrictions and conditions as provided in the Shareholders Agreement, articles and memorandum of association of the Company.

4. COVENANTS, REPRESENTATIONS AND WARRANTIES

- 4.1 Each Party hereto agrees, represents and warrants to the other that:
- They have been duly incorporated and organized, and is validly existing, in good standing in compliance with all registration and approval requirements and has the corporate power and authority to own and operate its assets and properties and to carry on its business;
 - The execution, delivery and performance of this Contract and the performance of its obligations hereunder:

- i. are within its organizational powers and have been duly authorized by all necessary approvals;
 - ii. do not and will not contravene any provision of law applicable to it or any contractual restriction binding on or affecting it or its articles of association / memorandum of association (if applicable);
 - iii. do not require any other approval, licenses, permissions or consent;
 - iv. are and will be valid and legally binding obligations of the Party enforceable against it in accordance with the terms hereof.
- c. All representations made under this Contract are true to the best of the Party's knowledge and nothing has been concealed, obscured or shrouded from the other Party to this Contract.

4.2 NUSThereby covenants, represents and warrants to the Company that:

- a. it possesses all necessary skills, expertise, knowledge, materials and information for the provision of Services;
- b. it shall provide the Services as described in **Schedule A** to this Contract as closely as possible;
- c. it shall comply with applicable law, rules and regulations when providing the Services;
- d. it shall not use any materials including, but not limited to intellectual property, for the provision of Services, the usage of which, it is not legally entitled to;
- e. it shall provide the Services diligently, in good faith, as per the needs and wishes of the Company, in a reasonable time frame;

4.3 The Companyhereby covenants, warrants and represents to NUST that:

- a. There are no proceedings in relation to any compromise or arrangement with creditors or any winding up, bankruptcy or other insolvency proceedings against the Company;
- b. The Company does not have any debt, liability, legal liability, claim, loss, damage, deficiency, obligation or responsibility of any kind (however it arises and whether present or future, fixed or unascertained, actual or contingent, quantified or unquantified, disputed or undisputed, known or unknown, or of a kind required or not required by applicable law to be set out in a financial report) which is or may be alone or in aggregate material to the respective assets, liabilities, business, financial position or performance, profits, losses or prospects of the Company, except for liabilities which have been specifically disclosed. There are no outstanding liabilities including but not limited to payable/ outstanding taxes/levies/duties, securities, charges, liens, Encumbrance(s), loans, against the Company and its assets; and
- c. There are and shall be no Encumbrances of any nature whatsoever on any shares to be transferred to NUST by the Company. In respect of the shares to be transferred, no person has the right, or has claimed to have the right, whether exercisable now or in the future and whether contingent or not, to call for the conversion, issue, registration, sale or transfer, amortisation or repayment of any share capital or any other security transferred to NUST under the terms of this Contract.

5. **CONFIDENTIALITY**

- 5.1 Each Party agrees that it shall treat all information concerning the other Party which comes to its knowledge pursuant to this Contract or any activities carried out pursuant to this Contract, as confidential and shall not, except as hereinafter provided, disclose, use or permit the disclosure or use of such information to any third party.

- 5.2 For the purpose hereof ("**Confidential Information**") shall include all business, design, marketing, financial and technical information or data relating to the disclosing Party, its representatives, officers, employees or its Affiliates.
- 5.3 Any Party may disclose Confidential Information only to such of its employees and advisors who have a demonstrable need to know such information and who are informed of the confidential nature of such information (and have agreed to be bound by similar confidentiality provisions in writing).
- 5.4 The restrictions referred to above shall not apply to any Confidential Information to the extent that such information:
- a. is already known to the Party to whom it is disclosed;
 - b. is disclosed by any other third party not bound by the confidentiality; or
 - c. is in or comes into the public domain otherwise than as a result of any breach of this Contract.
- 5.4 Nothing herein shall restrict any Party from disclosing any Confidential Information pursuant to a judicial or other lawful government order, but only to the extent of such order or as may be mutually agreed by the Parties.

6. TERMINATION

- 6.1 Either Party may terminate this Contract by serving the other Party a prior written notice of thirty (30) days, if any of the following events have occurred in respect of the other Party:
- (a) A material breach of any of its obligations under this Contract which is capable of a remedy and, the other party fails to remedy that breach within fifteen (15) calendar days after receipt of written notice specifying the breach and requiring it to be remedied;
 - (b) A material breach of any of its obligations under this Contract and the breach is not remediable;
 - (c) The other party becomes insolvent, bankrupt; or
 - (d) The determination by any government entity having jurisdiction over the subject matter of this Contract that the relationship of the Parties and / or any of the obligations assumed hereunder are contrary to then existing laws.
- 6.2 In case of termination of this Contract by the Company for any reason other than mentioned in clause 6.1. above, the Company shall pay to NUST the amount of Rs 5,000,000 (Pakistani Rupees Five Million only) for willful termination of the Contract.
- 6.3 For the avoidance of any doubt, it is explicitly agreed by the Parties, that termination under this clause of the Contract, does not affect any rights or obligations conferred upon any Party prior to such termination.
- 6.4 Without prejudice to any other clause of this Contract, termination under this clause shall have no interference upon the rights of NUST conferred with respect to its equity stakes in the Company.

7. ANTI-DILUTION

- 7.1 In case of any issuance of new shares in the Company at a pre-money valuation for 100% of the Company's share capital of less than or equal to US\$ 1,000,000, the Company undertakes that it shall issue to NUST such number of additional shares/equity as would be necessary to maintain its percentage share of 5% (amounting to US\$ 50,000) in the Company's currently issued and outstanding equity on a fully converted, fully diluted basis.

8. BUY-BACK OPTION

- 8.1 The Company has been granted the option to buy back the shareholding of NUST, established by this Contract, by paying not less than US\$ 250,000 to NUST university. The exercise of buy-back option would follow a similar procedure to that outlined in clauses 9.1, 9.2 and 9.3 of this Contract. However, this buy-back option can be exercised only by the sponsor/founder of the Company.

9. PRE-EMPTION RIGHTS

- 9.1. The Company undertakes that it shall ensure that if any shareholder (the "**Transferring Shareholder**") of the Company proposes to directly or indirectly transfer any of its shares in the Company to any other shareholder(s) or any third party, the Transferring Shareholder shall, prior to such transfer, send a written notice (the "**Sale Notice**") to the Company and each remaining shareholder(s) (including NUST) by way of registered mail or courier containing the following information:
- i. Nature of Transfer;
 - ii. Name and address of subject transferee (the "**Transferee**");
 - iii. Number of shares subject to transfer (the "**Sale Shares**");
 - iv. Price of shares subject to transfer (the "**Offer Price**"); and
 - v. Expected date of closing of the subject transfer.
- 9.2. The non-selling Shareholder(s) of the Company (the "**Offeree(s)**") (including NUST) shall have a right of first refusal (the "**Pre-emption Right**") against any sale of the Shares of the Company. In case there are more than one (1) Offeree(s), the Offeree(s) shall collectively have a Pre-emption Right, calculated on a Pro Rata Share basis in the proportion of their shareholding in the Company, against the Sale Shares.
- 9.3. It is agreed between the Parties that the Pre-emption Right (as specified above) shall be exercisable, on the terms as provided in the Sale Notice, within a period of fifteen (15) days from the date of receipt of Sale Notice by each Shareholder (the "**Option Period**"). On the expiry of Option Period, the Pre-emption Right shall expire. In the event one (1) or more of the Offeree(s) declines or does not exercise his / her Pre-emption Right (the "**Non-Electing Offeree(s)**"), the remaining Offeree(s) (if any) shall have the right to purchase the additional Sales Shares, that the Non-Electing Offeree(s) declined to purchase, on a Pro Rata Share basis, in the proportion of their shareholding in the Company.
- 9.4. It is agreed between the Parties that any Sale Notice by NUST should be for sale to a legal entity and which does not pose a business risk to the Company. Any objection to the Sale Notice by any Party must be communicated to the other Party in writing.

10. DISPUTES RESOLUTION AND GOVERNING LAW

- 10.1. All disputes arising between the parties in connection with this MOU and carrying out of the obligations covenanted hereunder, shall be initially settled amicably between the parties and in case no settlement of dispute(s) is resolved then it shall be referred and settled through professional legal arbitration under the provision of the Arbitration Act, 1940, with legal charges of arbitration to be shared equally by the two parties.

11. INDEMNIFICATION

- 11.1 Each Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party, its officers, managers, members, employees, sub-contractors and agents (if any) (each an "**Indemnified Party**") from and against any and all claims, actions, damages, losses, obligations, liabilities, recoveries or deficiencies, costs and expenses (including, but not limited to, advocates / attorney / legal fees and other costs, interest and expenses incidental to any suit, action or proceedings) that the Indemnified Party may incur, suffer or bring and which, directly or indirectly, arise or relate to:

- a. any breach, non-observance or non-performance by the Indemnifying Party of any of the Indemnifying Party's covenants, representations and warranties and the terms and conditions contained in this Contract;
- b. the representations and warranties of the Indemnifying Party hereunder being untrue, inaccurate, incorrect, incomplete or misleading in any material respect; and
- c. any illegal or prohibited activity and/or any violation of applicable law, rules or regulations.

12. MISCELLANEOUS

- 12.1 **Limitation of Liability:** In no event shall any Party be liable to the other for any indirect, incidental, special or consequential damages / losses, whether foreseeable or unforeseeable, of any kind, including, without limitation, loss of profits, loss of income, loss of goodwill etc., arising out of or in connection with this Contract.
- 12.2 **Counterparts:** This Contract may be executed in any number of counterparts or duplicates each of which shall be an original, but such counterparts or duplicates shall together constitute but one and the same Contract.
- 12.3 **Successors and Assigns:** This Contract shall be applicable upon and inure for the benefit of the respective permitted assigns and successors in title of the Parties.
- 12.4 **No partnership or Agency:** This Contract shall not be construed or taken to constitute any Party to be the agent of the other Party nor shall it give one Party the authority to represent or bind the other Party in any way.
- 12.5 **Waiver and Cumulative Rights and Remedies:** No waiver of any provision of this Contract shall be effective unless set forth in a written instrument signed by the Party waiving such provision. Any failure or delay in exercising any rights, power or privilege hereunder will not operate as a waiver thereof, nor will any single or partial exercise preclude any other further exercise thereof. Except where this Contract provides otherwise the rights and remedies contained in this Contract are cumulative and not exclusive of the rights or remedies provided by law. This Contract may not be construed adversely to a Party only because that Party was responsible for preparing / drafting it.
- 12.6 **Severability & Survival:**
 - a. The Recitals at the beginning and the Schedules at the end shall be read as an integral part of this Contract. If any provision of this Contract is adjudged by a court of competent jurisdiction to be unlawful, void, or unenforceable such provision shall to the extent required be severed from this Contract and rendered ineffective as far as possible without modifying the remaining provisions of this Contract and shall not in any way affect any other circumstances or the validity or enforcement of this Contract.
 - b. All clauses of this Contract which either are expressed to survive or which by implication are intended to survive termination or expiry of this Contract will continue to survive notwithstanding termination or expiry of this Contract.
- 12.7 **Modifications or Variations:** This Contract may not be amended, modified or supplemented except by a written instrument executed by the Parties hereto.
- 12.8 **Good Faith:** The Parties shall at all times during the continuance of this Contract observe the principles of good faith towards one another in the performance of their obligations in terms of this Contract. This implies, without limiting the generality of the foregoing, that they will at all times during the term of this Contract act reasonably, honestly and in good faith; will perform their obligations arising from this Contract diligently and with reasonable care; will make full disclosure to each other of any matter that may affect the execution of this Contract and will at all times during the continuance of this Contract observe the principles of good faith towards one another in the performance of their obligations in terms of this Contract. The Parties undertake to do all such things, and

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perform all such acts, and take all steps, to procure the doing of all such things and the performance of all such acts, as may be necessary or incidental, to give or conducive to the giving of effect to the terms, conditions and import of this Contract.

- 12.9 **Notices:** All notices, requests, demands, or other communications with respect to this Contract shall be in writing and shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed or when sent by registered mail or courier to such Party at the address specified at the beginning of this Contract.
- 12.10 **Entire Contract:** This Contract together with all the Schedules hereto, constitutes the entire Contract and understanding between the Parties hereto in connection with the subject matter hereof, and supersedes any previous representations, negotiations and agreements (whether oral or written) on the subject matter.
- 12.11 **Force Majeure:** No Party shall be held responsible for any delay in performance of any of its obligations under this Contract where such delay in performance is as result of an event of Force Majeure.
- 12.12 **Specific Performance / Injunction:** Notwithstanding anything contained in any other clause of this Contract, in the event that any Party to this Contract breaches any provision of this Contract, it is agreed that the other Party shall have the right to seek and obtain any relief as may be ordered/awarded by a competent forum including without limitation, appropriate injunctive relief as well as an order for specific performance.

IN WITNESS WHEREOF the Parties hereto have set their respective hands hereunto the day and year first written above

For and on behalf of the Company

NORMAN SIDDIQ, ELGI/uc

Address: 212/213 2nd Ph Anwar Blessings
share e fusile karam
CNIC No.: 42201-2254051 1

For and on behalf of NUST

Adnan Rais

Address: GM-TIC, EIE Building, NUST
H-12
Islamabad
CNIC No.: 43201-1097251-1

WITNESSES:

1. _____

Address: _____

CNIC No.: _____ - _____ - _____

2. _____

Address: _____

CNIC No.: _____ - _____ - _____

SCHEDULE – A

DETAILS OF SERVICES

The following services will be provided by NUST to the Company under the terms of this Agreement as described in clause 2.1:

1. 2-3 mentoring and orientation sessions at TIC
2. Sponsored office space option for 12-months at Technology Incubation Center, NUST.
3. Return ticket to San Francisco for one founder per startup.
4. One room for three months at Draper University's residential facility, or lodging allowance of US\$ 1,500 per month for three months in case of non-availability of rooms at Draper University.
5. Meals and local travel allowance of US\$ 2,000 per month for the three months' stay in Silicon Valley.
6. Access to Draper University's co-working space for three months.
7. Startup training sessions at Draper University as part of their regular program and additional workshops covering go-to-market and growth topics with a focus on the US market.
8. 4-5 mentoring sessions in Silicon Valley by 1-2 business/technical experts.
9. Business introductory meetings with 3-4 potential clients in the US.
10. Networking opportunities with potential investors in Silicon Valley.
11. Participation in a demo day in Silicon Valley.
12. Potential introduction with other incubators in Silicon Valley in the pipeline as the project progresses.

