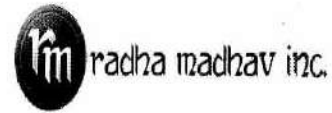


**JOINT VENTURE AGREEMENT  
BETWEEN  
KAYNES TECHNOLOGY INDIA  
PRIVATE LIMITED  
&  
RADHA MADHAV INC**

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## JOINT VENTURE AGREEMENT

THIS AGREEMENT is made on the 17<sup>th</sup> day of May 2018 between:

1. KAYNES TECHNOLOGY INDIA PRIVATE LIMITED, a limited company incorporated in the Republic of India under the Companies Act 1956 having its registered office at 23-25, Belagola, Food Industrial Estate Metagalli, P O, Mysore-570016 (herein after referred to as "KAYNES") and;
2. RADHA MADHAV INC, a S-corporation incorporated in the United States of America having its register office at 23 Max Drive, Apt 10A, Morristown, New Jersey- 07960 (herein after referred to as "RADHA MADHAV")

Both KAYNES and RADHA MADHAV are hereinafter collectively known as "the Parties".

WHEREAS:

KAYNES TECHNOLOGY INDIA PRIVATE LIMITED carries on the following business:

Electronics Design & Manufacturing Services (EDMS)

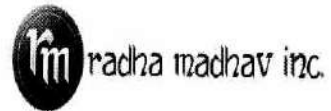
In the following territory: India

AND

RADHA MADHAV carries on the following business:

Information Technology Consulting & Staffing

In the following territory: United States of America



IN CONSIDERATION of the terms, conditions and covenants hereinafter set forth, the Parties agree as follows:

## **1. FORMATION**

The joint venture formed by this Agreement (the "Joint Venture") will conduct its business under a new entity and will have its registered address at **23 Max Drive Suite#10A, Morristown, NJ 07960, USA.** The Joint Venture shall be considered a joint venture between the Parties in all respects. Company operational office in USA will be at following locations:

- 1) 471 Hobson Ave, Saddle Brook, NJ 07663
- 2) 430 Herrick Dr, Dover, NJ 07801

## **2. PURPOSE**

KAYNES and RADHA MADHAV are coming together for new initiative in USA for Electronic Design and Manufacturing Services (EDMS), Information Technology, Consulting and Staffing. The new Company will help to build relations in USA and get new business, so that both companies can help each other in growth.

## **3. CONTRIBUTIONS AND EXPENSES**

### **A. Contributions**

The proportion of the equity shareholdings of the Parties in the Company shall be as follows:

- a) KAYNES' Contribution: 51%
- b) RADHA MADHAV's Contribution: 49%

The shareholdings will be directly proportional to the capital investment.

## **B. Expenses**

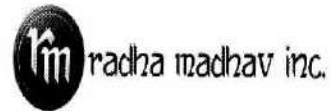
Initially, RADHA MADHAV shall contribute towards US expenses and KAYNES shall contribute towards India expenses until company starts gaining revenue up to 1 Million dollars. Till the revenue generation of 1 Million dollar, the details of expenses incurred by both the parties shall be circulated between the parties on a monthly basis and approval shall be obtained from authorized personnel of both the parties. Once the new company has generated revenue these expenses shall be transferred to the Joint Venture Company and all reimbursements shall be made from the Joint Venture Company.

The listing of expenses to be incurred by each party shall be as below:

- By share capital or loans from the Parties in the Specified Proportion, on such commercial terms as may be mutually agreed between both the parties in writing, and/or
- By means of overdraft or other borrowings from third parties and/or financial institutions as may be mutually agreed between both the parties in writing.
- KAYNES will have full right to count and publish its subsidiary in all promotional instruments like Website, brochure's, pamphlets, marketing collaterals etc. under KAYNES Group of Companies.

## **4. DISTRIBUTION OF PROFITS**

- a) Any and all net profits accruing to the Joint Venture shall be distributed between RADHA MADHAV 49% and KAYNES 51%.
- b) Only, for EDMS business, 2% of the total PO value will be provided as commission to Radha Madhav for all the business they generate in their capacity. The commission of 2% shall be billed directly to M/S. Kaynes Technology India Private Limited and the amount shall be paid after the realization of export orders within 30 days from the date of the realization after deducting the applicable taxes of the Laws of Land. Here, Radha



Madhav will bear all the expenses related to travel, logistics, marketing, staff salary, promotional events etc. that are incurred to generate the lead.

## **5. MANAGEMENT**

For the time being considering the size of the business, we shall have 2 directors from both parties. Both KAYNES and RADHA MADHAV will always have equal number of Directors throughout the life of the Company. Both parties' and its present employees' positions will remain as they are now unless agreed upon by both Parties.

All provisions relating to appointment/resignation/replacement/retirement and such other provisions relating to the roles and responsibilities of Directors shall be governed by the Bylaws of the Joint Venture Company.

Bylaws will be created by the appointed Board of Directors with mutual discussion/agreement in favor of the venture's success, within 30 days, after the new entity is incorporated in USA.

Bylaws can be reviewed and amended time to time, if all the directors feel so as per the business demands.

KAYNES and RADHA MADHAV shall abide by the Bylaws.

## **6. NO EXCLUSIVITY**

Neither Party shall be obligated to offer any business opportunities or to conduct business exclusively with the other Party by virtue of this Agreement. Herein, KAYNES and RADHA MADHAV will continue to conduct their current respective businesses.

## **7. RESPONSIBILITIES OF THE PARTIES**

The Parties will each have the following responsibilities under the Joint Venture:

**RADHA MADHAV's Responsibilities:**

1. To provide its share of the financial capital required under this Agreement.
2. To setup the Company, to execute this Agreement and other ancillary agreements.
3. To apply for the necessary approvals from the Government.
4. To expedite in the processing of permits, licences and all other relevant applications.
5. To assist in providing local management and expertise as required for the Business.
6. To provide marketing for the Company in United States.
7. To cause and require the Company to comply with all local laws, rules and regulations as are applicable for conducting its business.

**KAYNES Responsibilities:**

1. To provide its share of the financial capital required under the Agreement.
2. To provide technical training as may be reasonably required to support customer acquisition and maintenance.
3. To support the staffing and software development efforts in India.

**8. TERMINATION**

Neither Party shall have the right to terminate this Agreement at any time, unless such termination is mutually agreed to by the Parties hereto. The Joint Venture shall terminate upon termination of this Agreement. However, either Party may, if it, so wishes terminate the Agreement by providing a prior written notice of 60 days to the other party.



## **9. CONFIDENTIAL INFORMATION**

1. None of the Parties shall divulge to any person (other than those whose province it is to know it or with proper authority) or use for any purpose any of the trade secrets or confidential information or any financial or trading information relating to the other Party, the Company or any of its affiliates which it acquires as a result of entering into this agreement or otherwise.
2. Confidential information shall basically mean and include all information of the Parties that can be protected as a trade secret under applicable law, or that derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use. Without limiting the generality of the foregoing, examples of such Confidential Information shall include KAYNES or RADHA MADHAV patents, know-how, trade secret, computer programs, databases, intellectual properties of any nature whatsoever, improvements, discoveries, inventions, methods, techniques, strategies, new products and product plans, unpublished financial statements, budgets, projections, customers' details, information pertaining to the customers, billing practices, pricing data, contacts, client and supplier lists, and business and marketing records, working papers, files, systems, plans and data (collectively 'Confidential Information').
3. The Parties and the Company shall, therefore, not use the Confidential Information for their own purpose and behalf, nor disclose it to any third person or entity outside the scope of this Agreement. The Parties and the Company shall use all normal and customary efforts to safeguard the Confidential Information from unauthorised disclosure or misuse.
4. In respect of the disclosure of Confidential Information to the employees or contractors of the Company or anybody connected to it, shall be strictly on need-to-know basis. However, in this regard both Parties and the Company shall determine those employees who are to be disclosed the Confidential Information on need-to-know basis and keep at all times a list of their names.



Besides, if any such employee leaves the employment of the Company, the same should be intimated to the Parties.

5. The above restrictions shall survive and continue to apply after the expiration or termination of this Agreement, without limit in point of time but shall cease to apply to secrets or information, which come into the public domain through no fault of the Party concerned.

## **10. GOVERNMENT AND OTHER APPROVALS**

1. RADHA MADHAV shall take all necessary and proper steps to apply for and obtain such of the approvals, sanctions and permissions of the Government ("the approvals") as may be required under and in accordance with the applicable laws, rules and regulations in United States to facilitate and implement the transactions contemplated and set out in this Agreement.
2. The Parties shall promptly provide such information, data, assistance and co-operation as may reasonably be required to process the said applications and reach decisions thereon; provided however, that KAYNES and/or RADHA MADHAV shall not be obliged to disclose its proprietary or confidential information to any party or in any manner which may result in such information becoming available to any third party.

## **11. COMPLETION**

Following the execution of this Agreement, KAYNES and RADHA MADHAV shall respectively subscribe for and the Company shall issue shares equivalent to the value of the equity injected by the Parties respectively according to the time table for equity injection to be agreed between the Parties and subject to the terms and conditions in the approvals of the Government.

## **12. BUSINESS PLAN**

1. Both Parties shall work together to develop an Initial Business Plan for the Company. This will include operations, marketing, and a financial plan in respect of the Company.
2. It is expected that once the Initial Business Plan is mutually agreed to by the Parties, it would be adopted by the Company. The Initial Business Plan and any subsequent modifications thereto on mutual consent, would form the basis for the functioning of the Company.
3. The Parties may make suitable revisions to the Initial Business Plan as and when required, if the said revisions are mutually agreed upon.

## **13. DIVIDEND POLICY**

The Parties shall cause and require the Company to ensure that it takes such action as may be necessary to procure that:

1. The general meeting of the Company at which accounts in respect of the preceding financial year are laid before the shareholders is held in compliance with the law.
2. The auditors shall at the Company's expense be instructed to report as to the amount of the profits for each accounting reference period which are available for distribution by the Company at the same time as they sign their report on the Accounts for the accounting reference period in question.
3. The Company shall distribute to and among its members, such percentage as recommended by the Board of Directors and approved by the Shareholders, of its profits lawfully available for distribution in each financial year as the Board shall from time to time resolve, subject to the appropriation of such reasonable and proper reserves for working capital or other as the Board may think appropriate. Notwithstanding the above the aim of the Company shall be to increase the net worth and return on investment of the Shareholders and also to enhance the

borrowing capacity of the Joint Venture Company, therefore it should always adopt a liberal dividend distribution policy.

#### **14. BUSINESS OF THE COMPANY**

Except as the Parties may otherwise agree in writing or save as otherwise herein provided or contemplated, the Parties shall exercise all the rights available to them in relation to the Company and the Company shall do everything necessary to procure and ensure that:

1. the company carries on and conducts its business and affairs in a proper and efficient manner and for its own benefit, keeping the best interest of the Shareholders in mind;
2. the Company transacts all its business on an arm's length basis;
3. all business of the Company shall be undertaken and transacted pursuant to policies laid down from time to time by the Board of Directors in accordance with the Objectives of the Company;
4. the Company shall not acquire, dispose of, hire, lease, license or receive licenses of any assets, goods rights or services otherwise than at the best price reasonably obtainable in the circumstances;
5. the Company shall keep books of accounts and therein make true and complete entries of all its dealings and transactions of and in relation to its business.
6. the Company shall prepare its accounts on a historical cost basis and shall adopt such accounting policies as may be decided by the Board of Directors. The Company shall prepare such accounts in respect of each accounting reference period as are required by as per US GAAP and such that the Company can enjoy tax benefits and procure that such accounts are audited each year immediately following the close of the fiscal year.
7. all accounts, books and records of the Company shall be open for inspection by each Party or by the Parties' respective authorised representatives during regular business hours
8. the Company shall always obtain and maintain adequate insurance policies of requisite indemnity levels from reputed

insurers, insuring all insurable risks, which are related to or connected with the Business, undertaking and assets of the Company, including insurance policies for product liability and third-party claims.

15. SHAREHOLDERS MEETING ("General Meeting") shall be governed by the Bylaws of the Joint venture Company.

16. DEADLOCK shall be governed by the Bylaws of the Joint venture Company.

17. TRANSFER OF SHARES shall be governed by the Bylaws of the Joint venture Company.

## **18. DEFAULT**

1. If any Party commits or suffers an event of default then the other Party shall be entitled in its entire discretion to for an injunctive relief in violation of the terms hereof. Such injunctive relief shall be in addition to any other remedies available hereunder, whether at law or in equity. Further, in the event of litigation relating to this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses.
2. "An event of default" means the occurrence of any of the following:
  - (i) Any of the Parties committing a material breach of its obligations under this Agreement and failing to remedy the same (if curable) within sixty (60) days of being specifically required to do so by the other Party.
  - (ii) Any of the Parties entering into any composition, assignment or arrangement with its creditors in respect of whole or substantially whole of its undertaking.
  - (iii) Any Party being declared bankrupt or insolvent or having made an assignment for the benefit of creditors or having a winding up order by a court of competent jurisdiction being made or resolution being passed for its winding up, otherwise than for the purpose of a reconstruction or amalgamation without

insolvency previously approved by the other Party (which approval shall not be unreasonably withheld).

## **19. REPRESENTATIONS AND WARRANTIES**

1. RADHA MADHAV represents and warrants to and for the benefit of KAYNES that it is duly incorporated and validly existing under the laws of the United States as a company limited by shares. KAYNES represents and warrants to and for the benefit of RADHA MADHAV that is duly incorporated and validly existing under the laws of India as a company limited by shares.
2. Each of the Parties represents and warrants to and for the benefit of the other Party that:
  - a) it has full power and authority to enter into and perform its obligations or to procure the entry into and performance of obligations under this Agreement;
  - b) it has all the necessary consents, licenses and approvals in connection with the entry into and performance of its obligations under this Agreement and as a shareholder in the Company;
  - c) its entry into this Agreement and performance of its obligations under this Agreement will not violate or conflict with, or exceed any limits imposed by:
    - i) any law or regulation to which it is subject;
    - ii) any other agreement, instrument or undertaking binding upon it.

## **20. PARTIES BOUND**

1. The Parties shall ensure that the Company shall adopt the provisions of this Agreement in a duly constituted Board Meeting of the Company and fully ratify this Agreement.
2. The Parties shall ensure that the Company shall be a confirming Party to this Agreement and will be bound by and comply with the terms and conditions of this Agreement in so far as the same relate to the Company and to act in all respects as contemplated by this Agreement.



3. The Parties undertake with each other to exercise their powers in relation to the Company so as to ensure that the Company fully and promptly observes, performs and complies with its obligations under this Agreement.

## **21. FORCE MAJEURE**

1. The failure by any Party to perform its obligations under this Agreement, shall not constitute a default or breach of this Agreement by such Party to the extent that such failure is due to Force Majeure as defined below.
2. The term 'Force Majeure' as used herein shall mean any strike, lock out or other labour or industrial disturbance (which cannot be attributed to any fault or negligence on the part of the party claiming benefit under the Force Majeure clause); civil disturbance; war declared or undeclared; blockades; insurrections; riots; landslides; fires; storms; epidemics; lighting; floods; high water, washouts, earthquakes, arrests and restraints of people and any other causes, whether of the same or different in kind from those enumerated herein, not reasonably within the control of the Party claiming Force Majeure and which by the exercise of due diligence such Party is unable to prevent or overcome.
3. An event of Force Majeure shall be applicable whether it occurs in United States, India, or elsewhere, and whether it happens to a Party to this Agreement or to others, in a manner, which directly affects the ability of any Party to perform its obligations hereunder.
4. In the event that any Party wishes to invoke Force Majeure ("Affected Party"), that Party shall, within three (3) days after the occurrence of the event of Force Majeure has become known to that Party, send written notice of such event to the other Party ("Non-Affected Party"). The Party affected shall take appropriate measures within the shortest possible time to attempt to resume performance of the obligations affected by the event of Force Majeure.
5. If, due to an event of Force Majeure, any Party should be unable to perform their obligations under the terms of this Agreement in any material respect for a period of three (3) months or more,

then at the option of the Non-Affected Party the Agreement can be terminated or if the Non-Affected Party so desire suspend its performance of any of its obligations under this Agreement for the duration of the event of Force Majeure. In such a situation, the Parties shall negotiate in good faith for disposal of their Shares in the Company.

## **22. GENERAL**

1. Good faith: Each of the Parties undertakes with each of the others to do all things reasonably within its power, which are necessary or desirable to give effect to the spirit and intent of this Agreement and the Articles.
2. Further assurance: The Parties shall use their respective reasonable endeavours to procure that any necessary third parties shall, do, execute and perform all such further deeds, documents, assurances, acts and things to carry the provisions of this Agreement and the Articles into full force and effect.
3. Time is the essence: Any date or period mentioned in this Agreement may be extended by agreement between the Parties failing which, as regards any such date or period, time shall be of the essence of this Agreement.

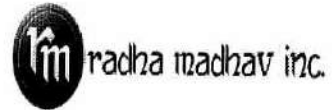
## **23. NON-COMPETE OBLIGATION**

Both Parties hereby confirm and undertake that during the term of this Agreement and for a period of ten (10) years thereafter, they shall not directly or indirectly, either on their own or in collaboration with any third party, indulge in or be involved with any business connected to production and/or marketing supply of Products.

## **24. FURTHER ACTIONS**

The Parties shall execute any documents and take all appropriate actions as may be necessary to give effect to the Joint Venture efforts.





**25. GOVERNING LAW**

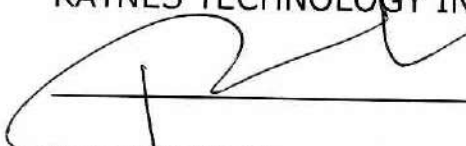
This Agreement shall be governed by and construed in accordance with the land of laws of the State/Country of New Jersey, USA or India without regard to conflicts of law principles.

**26. ENTIRE AGREEMENT**

This Agreement contains the understanding between the Parties, superseding all prior contemporaneous communications, representations, agreements, and understandings, oral or written, between the Parties with respect to the subject matter hereof. This Agreement may not be modified in any manner except by written amendment executed by each Party hereto.

In Witness Whereof, the Parties have caused this Joint Venture Agreement to be duly executed and delivered.

KAYNES TECHNOLOGY INDIA PRIVATE LIMITED

  
\_\_\_\_\_  
[SIGNATURE] 18 May 2018  
DATE

RADHA MADHAV INC

  
\_\_\_\_\_  
[SIGNATURE] 17 May 2018  
DATE