

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is intended to outline a proposed business relationship between

BEBB India Private Limited, a company duly registered under the provisions of the Indian Companies Act, 1956 having its registered office at 510, GDITL, Northex Towers, A-09, Netaji Subhash Place, Pitampura, New Delhi-110034, (“**Company**”)

and

Indian Industries Association (“IIA”), an apex body of Micro, Small and Medium Enterprises with its head office at IIA Bhawan, Vibhuti Khand, Phase II, Gomti Nagar, Lucknow – 226010.

WHEREAS:

- A. Company is in the business of selling various materials such as inks, chemicals, additives, polymers, textiles, steel, cement, paints, wood, electrical, etc. (“**Raw Material**”) through its Website i.e. www.power2sme.com, which helps MSMEs to increase their profitability by reducing prices & enabling business efficiencies and offers information and tools that enable MSME’s to compete on an equal footing with larger enterprises.
- B. IIA is an apex representative body of Micro, Small and Medium Enterprises (MSME) with a strong membership base of more than 5500 MSMEs. IIA works for the growth of MSMEs and provides them all support and valuable information on all aspects of business. IIA has established 38 chapters in different locations in North India. .
- C. Company and IIA have entered into discussions concerning the business interest of IIA’s registered members (“**Members**”) covering all IIA Chapters and has agreed to start a pilot project for collective purchase of Raw Material for a period of 6 (three) months for Noida, Greater Noida and Ghaziabad (“**Project**”), on the terms and conditions agreed herein below.

NOW, THEREFORE, in order to evaluate the proposed relationship and facilitate discussions, Parties enter into this MOU on the following terms:

1. Scope of work

1.1 Parties hereby agree that they shall work together for the Project and perform the following responsibilities:

1.1.1 The Company shall facilitate purchase of Raw Material for Project for a period of Six (06) months from the date of this MOU. IIA shall provide all reasonable assistance to the Company and facilitate the gathering of data of Raw Materials requirement

- 1.1.2 The Company shall deploy its resources for data collection from all the Members and the cost of the same shall be shared equally between the Company and IIA.
- 1.1.3 Members of Noida, Greater Noida and Ghaziabad shall be catered under the Project.
- 1.1.4 A Joint Co-ordination Cell ("JCC") under the Chairmanship of Divisional Chairman Meerut-II division of IIA and consisting of 08 representatives of the IIA and Company, shall be constituted within 10 days from the execution of this MOU for the smooth implementation and monitoring of the Project. Each Party hereby undertakes to provide all information and documentation relating to the procurement of the Raw Materials to the JCC and confirm to ensure the correctness and authenticity of the same as on date of providing such information/ documentation.
- 1.2 After the successful completion of the Project, the Parties shall jointly explore the opportunities in other Chapters of IIA situated in other cities and States of India, on the same terms and conditions.
- 1.3 The Company shall participate, upon receiving an invite, in the Central / Chapter Executive Committee or General Body Meeting of IIA and shall share its business model and value proposition to all the members.
- 1.4 The Parties hereby agree to team up and work jointly as per the terms of this MOU for the welfare of the Members by pooling the demands of the members and procuring and making available the Raw Materials from the suppliers which would provide a level playing field to the Members to compete with larger organizations.
- 1.5 IIA through Field Surveyors will initiate data collection process for all members in Western UP IIA Chapters to start with and ensure that maximum data is captured.
- 1.6 Payment will be made on monthly basis against the bill raised by IIA.
- 1.7 Payment will be released based on monthly submission of data of IIA members by Surveyors.
- 1.8 400 IIA members are expected to be covered by Field Surveyors every month.
- 1.9 Executive Officer and Field Surveyors will be imparted with operational training at IIA Head Office at Lucknow jointly by the Company and IIA before launching the Project..
- 1.10 Field Surveyors shall be appointed by the Company.
- 1.11 Parties shall jointly monitor the data collection process and the Field Surveyors shall be reporting to the JCC members and/or their authorised representatives on daily activities.

2. **Consideration**

The consideration for the responsibilities undertaken by the Parties under this MOU shall be as per **Annexure-I** hereof.

3. **Term**

Neither Party shall terminate this MOU before the expiry of six months from the date of execution of this MOU ("Initial Term") or the completion of the Project, whichever is

earlier. Notwithstanding the foregoing, either Party may terminate the MOU in case a Party is in material breach of the term of this MOU, which is not cured within a period of [15] days from the date of notification by the non-defaulting Party.

After the expiry of Initial Term or the completion of Project, as the case may be, the MOU shall remain in force and be valid unless terminated by either Party by giving a [30] days written notice to the other:

- a) for any material breach which is not cured within a period of [30] days from the date of notification of the same by non-defaulting Party; or
- b) without assigning any cause.

Any terms of this MOU that by their nature extend beyond the MOU termination remain in effect until fulfilled, and apply to both Parties' respective successors and assignees

4. **Exclusivity**

It is expressly agreed by the Parties that during the subsistence of the MOU, parties shall work exclusively with each other and will not enter into any discussions/ negotiations (whether directly or indirectly) with respect to any similar arrangement. The Company and IIA agree that all discussions between the Parties regarding the Project are binding in nature and shall be enforceable on each other.

5. **Confidentiality**

The existence and substance of this MOU and the contents hereof will be kept confidential and will not be disclosed to any Party hereto to any third party without the prior written consent of the other Party hereto.

6. **Limitation of Liability**

- 6.1 The Parties agree that (i) the activities intended by this MOU may not be successfully completed; (ii) the results achieved may not be as anticipated; and (iii) these activities may not lead to any announced or generally available or limited offering. Any decision by any party to forego, or engage any other business opportunity, to alter or supplement any business plan of direction, or to make any investment in anticipation of the consummation of any transaction contemplated hereunder, is at the sole discretion of the party electing to do so, and will not create any actual or potential liability or any obligation for the other party, even if that party is aware of, or has been informed of, or has indicated approval of, any such action, decision, or election.
- 6.2 Except for a breach of Articles 5 (Confidentiality) or 7 (Publicity), for any claim in any way related to the subject matter of this MOU, the damaged party shall not be entitled to recover any actual and direct damages unless and until a definitive agreement has been signed. This will apply regardless of the form of action, whether in contract or in tort, including negligence. This limitation will not apply to any claims for bodily injury or damage to real, tangible and personal property for which a party is legally liable. In no

event will either party be liable for any lost profits, lost savings, incidental damages, or other economic consequential damages, even if advised of the possibility of such damages. In addition, neither party will be liable for any damages claimed by the other party based on any third party claim.

7. Publicity

Company and IIA each agrees not to use the trademarks, trade names, services marks or other proprietary marks of the other party to this MOU in any advertising, press releases, publicity matters, or other promotional materials without prior written approval of the other party. In addition each party agrees not to initiate or distribute any press releases, publicity matters or other promotional materials related to or referencing the subject matter of this MOU without prior written approval of the other party.

8. Intellectual Property Rights

8.1 The Company is the exclusive and absolute owner of and shall continue to retain all Intellectual Property Rights in any softwares and/or application in relation to the Website (www.power2sme.com) or any components thereof. The expression "Intellectual Property Rights", as used herein shall mean any patent (whether registered or not); design (whether or not capable of registration), copyright, trademark, know-how, trade secret and any other form of statutory protection provided under law.

8.2 The Company shall have, and shall continue to retain at all times, right to use, modify, customize or otherwise access the Website or any components thereof. The Parties acknowledge that such right to access shall include, without limitation, the right to access the Website or any of the components, physically or remotely through any medium and from any location.

9. Obligations

9.1 This MOU has been entered into in a spirit of mutual goodwill and Parties covenant with each other to render at all times to the other all reasonable assistance in their power and domain for facilitating successful and satisfactory disposal of all services covered by this MOU. The Parties shall take all the reasonable and necessary steps for ensuring the maintenance of updated and correct information/data collected/provided by them.

9.2 The Company shall register all the Members with its Website within six (6) months from the date of this MOU whereas IIA shall introduce the Company with its members.

9.3 Website is just a platform from where the Members can source the Raw Material. The Raw Materials purchased shall be subject to the original manufacturer's ("OEM") warranty, which shall be passed on by the Company on "as is" basis. The Company shall have no responsibility and liability towards the quality, purity and authenticity of the Raw Material purchased by the Members.

9.4 The Company shall endeavor to timely upgrade the Website and develop, provide, implement and manage all software pertaining to the Website.

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10. Governing Law and Dispute Resolution

- 10.1 This Memorandum of Understanding shall be governed by and construed in accordance with the laws of India.
- 10.2 All or any of disputes arising out of or touching upon or in relation to the terms of this MOU including the interpretation and validity of the terms thereof shall be settled amicably by mutual discussion within 30 (thirty) days failing which the same shall be settled through the reference of arbitration either by Sole Arbitrator acceptable to both the Parties or failing such acceptance by a panel of three Arbitrators, one each appointed by each Party and the third by both the Arbitrators, in accordance with the provision of Arbitration and Conciliation Act, 1996 including any statutory amendments modification thereof for the time being in force. The arbitration proceeding shall be held at an appropriate location in Delhi. The language used in the arbitral proceedings shall be English.

11. General

- 11.1 This MOU supersedes all prior proposals and discussions on this subject and is the complete and exclusive statement of the agreement between the Parties. This MOU cannot be modified except by a written agreement signed by the authorized representative of each of the Company and IIA. Any reproduction of this MOU by reliable means will be considered an original of this document.
- 11.2 Each party will be responsible for its own expenses in connection with these discussions.

This Memorandum of Understanding sets forth the understanding of the parties as of 14th February 2013.

BEEB India Private Limited

By: _____

Name: R.Narayan

Title: CEO

Indian Industries Association

By: _____

Name: Manish Goel

Title: General Secretary

Annexure –I

Consideration:

1. IIA will get a referral fee from the Company for every successful purchase transaction that is executed. The amount of the referral fee will be based on the value and volume of transactions.
2. IIA will get 7.5% of the Company's net earnings on every successful purchase transaction where payment guarantee is not assured by IIA.
3. IIA will get 10% of the net earnings on every successful purchase transaction where IIA guarantees the payment by buyer.

Project expenses shall be shared between the Parties in the following manner:

Sr. No.	Expenses to be borne by IIA	Expenses to be borne by the Company	Remarks
1	Salary of the Executive Officer @ Rs. 15,000 per month for 6 months= Rs 90000/-	Salary of 3 Field Surveyors@ Rs. 10,000 per surveyor per month for 3 months.	Salary of the Field Surveyors will be paid by the company.
2	Office Expenses at IIA Head Office@ Rs. 5,000 per month for 6 months=Rs.30000/-	Conveyance of 3 Field Surveyors@ Rs. 2500 per surveyor per month for 3 months.	Conveyance of the Field Surveyors will be paid by the company
3	Office Expenses at IIA Gr. Noida, Noida and Ghaziabad Chapters@ Rs. 1,000 per Chapter per month for 3 months =9000/- Miscellaneous expenses of Rs. 10,000.	Office Expenses at IIA Gr. Noida, Noida and Ghaziabad Chapters@ Rs. 4,000 per Chapter per month for 3 months=36000/-	Office expenses at IIA Chapters will be paid by IIA and the invoice for reimbursement will be raised on the Company.
4	Training expenses of Executive Officer and surveyors of Rs. 10,000		
Total	149000/-	148500/-	

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Date of Receipt 16/2/13 No. 22367

Through: Courier/ Reg./ Ord./ Others

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