
INCUBATION AGREEMENT

Dated: DD/MM/YYYY

AMONG

**Suresh Gyan Vihar University-Biotechnology Business
Incubator, Jaipur, Rajasthan**
supported by:
**Department of Science and Technology, Govt. of
Rajasthan**

AND

“Company Name”



**SGVU Biotechnology Business Incubator
(SGVU-BBI)
Suresh Gyan Vihar University, Jaipur
(Sponsored by DST-Rajasthan)**



INCUBATION AGREEMENT

THIS INCUBATION AGREEMENT (hereinafter referred to as this “**Agreement**”) is made on this day of____, YYYY (“**Effective Date**”) at Jaipur, Rajasthan.

BY AND AMONG

Suresh Gyan Vihar University, Jaipur established through the Suresh Gyan Vihar University Act of the Government of Rajasthan in 2008, and its predecessor institution, Gyan Vihar College, Jaipur, has been in existence since 1999. Its parent institution Sahitya Sadawart Samiti was founded in 1938. Director or his representative, in his stead (hereinafter referred to as ‘the SGVU’ which expression shall, unless repugnant to the context or inconsistent with the meaning thereof, mean and include its representatives, assigns etc.) of the second part.

WHEREAS, SGVU has established a Biotechnology Business Incubation (BBI), (hereinafter referred to as SGVU-BBI) sponsored by DST-Rajasthan with a mission to foster successful entrepreneurs and develop industry in the Knowledge and Technology based area.

FIRST PART;

AND

[Mr.], _____ S/o _____ residing at _____ having PAN _____ (hereinafter referred to as the “**Founder 1**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his legal heirs, executors, administrators and permitted assigns) of the **SECOND PART;**

AND

[Mr.] _____ residing at _____ having PAN _____ (hereinafter referred to as the “**Founder 2**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his legal heirs, executors, administrators and permitted assigns) of the **THIRD PART;**

Private Limited having CIN _____, having registered office at _____ (hereinafter referred to as the “**Company**” or “**Start-Up**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his legal heirs, executors, administrators and permitted assigns) of the **FOURTH PART;**

The Founder 1, and Founder 2 shall hereinafter be collectively referred to as “**Founders**” and individually as “**Founder**”

The Founder 1, Founder 2, and Company shall hereinafter be collectively referred to as “**Incubatees**” and individually as “**Incubatee**”.

The SGVU-BBI, Company and the Founders shall hereinafter be collectively referred to as “**Parties**” and individually as a “**Party**”.

RECITALS

- A. **WHEREAS**, SGVU-BBI is classified as Non-profit organization SGVU Biotechnology Business Incubation Center is established as Technology Business Incubator (TBI) supported by Department of Science & Technology (DST), Govt of Rajasthan. It is opened under SGVU – Ecosystem for Innovations and Entrepreneurship Trust (Sent in). As per Norms Separate Account has been opened for this Incubator. Suresh Gyan Vihar University is the Host Institution of the SGVU-BBI owing the Infrastructure being used by SGVU-BBI apart from other required support services from time to time. It promotes entrepreneur development, startup incubation, and early-stage investment in the startups.
- B. **WHEREAS**, the Company carries on the business activities of Information Technology(“Business”).
- C. **WHEREAS**, The Founders are the promoters of the Start-Up.
- D. **WHEREAS**, SGVU-BBI is willing and has consented to incubate the novel technology and business ideas of the Start-Up into viable commercial products or services as per the terms of this Agreement.

NOW THEREFORE IN CONSIDERATION OF THE PREMISES AND MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

1. INCUBATION AND MENTORING SUPPORT

- 1.1. The Company registered with SGVU-BBI shall be provided incubation and mentoring support as per this Agreement and other terms as decided and deemed fit by the SGVU-BBI from time to time.
- 1.2. The SGVU-BBI shall endeavor and make efforts to provide to the Company following incubation and mentoring support through the expert mentors recommended and selected by SGVU-BBI from to time to time depending upon the requirement of the Incubatee(s):-
- 1.2.1 Business Mentoring:** Guidance by SGVU-BBI expert mentors, angel investors, experienced & successful senior business and corporate sector executives and industry veterans on a broad range of topics, including the fundamentals of setting up a business, identifying suppliers, the appropriate location for the business, pricing of the product, marketing, developing effective business processes, etc.
- 1.2.2 IPR Mentoring:** Guidance on intellectual property right strategy to be followed by the Company or Start-Up, in line with the larger strategy of the business model.
- 1.2.3 Support services:** Assistance in connecting to lawyers, accountants, marketers, human resource specialists, intellectual property right agencies and other qualified practitioners in order to provide assistance in setting up the business and taking care of basic requirements. SGVU-BBI will not be liable for either quality or cost or any other breakdown related to delivery of such services.
- 1.2.4 Visibility:** Showcasing of SGVU-BBI on Company’s website, marketing communication and promotional materials and other possible places; participation in events, seminars and conferences organized by SGVU-BBI, SGVU-BBI shall endeavor to increase the traction for the Company or Start-Up.
- 1.2.5 Training & Development:** Access to training material on relevant issues like accounts, taxation for start-ups, understanding intellectual property, etc. SGVU-BBI may also

organize training events from time to time in order to help entrepreneurs tackle the challenges of starting-up and for the capacity development of the Start-Up.

1.2.6 Monitoring and Review: SGVU-BBI may review and monitor the progress and growth of the Start-up/ business of the Company. Any suggestions or advice given by the SGVU-BBI should be seriously considered by the Company.

1.3. Notwithstanding anything mentioned in Agreement, it is specifically understood by the Incubates that SGVU-BBI's role is that of a facilitator and platform provider for incubation, mentoring, acceleration, business support and/or investment by private and institutional investors and other entities and it will endeavor to deliver on the above objectives on a best efforts basis. How much value the Incubates derive from SGVU-BBI and its connections and whether or not the Company gets any investment will depend on several factors including, but not limited to, the perseverance and application of the promoter/entrepreneur, strength of the idea and business and demonstrated capability to execute. Failure to learn or to attract investment on the part of the Company will not create any liability on SGVU-BBI, its promoters, management team, operating team, office bearers, or those of any of its associate companies, business support partners, advisors or any other person or entity whom SGVU-BBI might have called upon to help it achieve its objectives.

2 INFRASTRUCTURAL SUPPORT

2.1 SGVU-BBI will provide access to working space and the following infrastructure support to the Incubatees for a period as may be determined by the SGVU-BBI:

- a. Co-Working Space
- b. Shared Conference Hall (depending on availability)
- c. Discussion /Conference Room (depending on availability)
- d. Standard Furniture etc.
- e. Cabins, open fixed seats and floating seats
- f. Electricity
- g. Printing facility (on chargeable basis)
- h. Internet and Wi-Fi connection
- i. Land Line Phone usage (on chargeable basis)
- j. Other support as SGVU-BBI may deem fit

2.2 Incubatees shall not claim above support as a matter of right, but the infrastructural support shall be provided to Incubatees on availability basis by the SGVU-BBI. The SGVU-BBI shall in no way be bound to provide above said support to the Incubatees. The Incubatees shall treat the premise with utmost care, and not do anything unprofessional, illegal or immoral that may disrupt the working culture, reduce or adversely affect the productivity of the said office or otherwise bring SGVU-BBI to disrepute in any manner.

2.3 Smoking and alcohol is prohibited in the Incubator's facility.

2.4 No Incubatee shall be permitted to use the premises or the address of the SGVU-BBI for the registration of the Company.

3. FINANCIAL SUPPORT

- 3.1 SGVU-BBI shall endeavour to connect and demonstrate the Company to the potential angel and institutional investors and support them in raising funds through the SGVU-BBI Investor Network or the outside Investors. The selected Company may be allowed to pitch before the investors on a selected date and venue.
- 3.2 The SGVU-BBI may also invest / co-invest (but will not be under any obligation) to provide seed fund to the deserving Company, as may be selected and decided by the SGVU-BBI at its sole discretion from time to time.
- 3.3 The Incubatees shall disclose the utilization of funds in advance to the SGVU-BBI and the funds so raised by the Company shall be used as disclosed.

4. GENERAL TERMS OF INCUBATOR

- 4.1 The Incubatees shall not do anything unpleasant obscene, illegal or immoral that may disrupt the decorum or working culture of the SGVU-BBI to disrepute in any manner.
- 4.2 The Incubatees shall adhere to the timelines set up by the SGVU-BBI.
- 4.3 SGVU-BBI shall provide facilities of printing, scanning, photocopying, refreshments Document Scanner, Library: Management Books, Subscription to IT, Business, Management and Trade journals and newspapers, Meeting/Conference room with projection equipment, Tele or Video conferencing facilities etc. to the Incubatees on affordable chargeable basis.
- 4.4 The Incubatees shall observe the holidays as per the calendar of the SGVU-BBI.

5. INCUBATION COSTS

- 5.1 For providing incubation facility support SGVU-BBI shall charge a fee of Rs..... per month per seat excluding all applicable taxes.
- 5.2 In addition to above clauses, the Company shall be obligated to allot/ transfer/issue, free of cost or at face value, 5% (depending upon startup stage) of the equity shares on fully diluted basis to the SGVU-BBI or any other person or entity nominated by the SGVU-BBI.
- 5.3 All applicable taxes shall be charged extra at actual by the SGVU-BBI and be solely borne by the Company.
- 5.4 The Incubatees shall be jointly and severally liable for the payment of above costs to the SGVU-BBI.

6. OBLIGATIONS OF THE INCUBATEES

The Incubatees shall abide by its obligation under this Agreement and comply with the following:-

6.1 The Company shall pay the fee and issue/ transfer / allot equity shares to the SGVU-BBI as per clause 5 within 7 days of signing this Agreement.

6.2 SGVU-BBI shall have the right, but not the obligation, to appoint one Director on Board of the Company and a Board Observer during the tenure of incubation or till the time SGVU-BBI holds any equity shares, whichever is later. The promoters of Incubatee shall appoint such nominated person as Director in the Company within 5 days after the nomination by the SGVU-BBI.

6.3 The Incubatees shall abide by the timelines set up by the SGVU-BBI and shall not violate any of the provisions of this Agreement.

6.4 In case of failure to pay the fee to SGVU-BBI as per Clause 5, the Company shall be liable to pay a nominal interest as decided by SGVU-BBI. In case the Company is unable to pay outstanding amounts (along with the interest) to the SGVU-BBI, the SGVU-BBI shall have the option to require the Company to issue equity shares equivalent to the amount outstanding in the name of SGVU-BBI.

6.5 The Company shall provide a list of all its directors, founders, promoters or any other bonafide persons in the format as required by SGVU-BBI. The Incubatees shall not use SGVU-BBI name either directly or indirectly in their business dealings, either during the time when the facilities are availed or in the future business dealings unless written permission is obtained from SGVU-BBI for using the name. The Company shall inform SGVU-BBI in advance about change of its name or any other form of legal entity, any change in the incubation/business plans or any change in their ownership pattern or shareholding.

6.6 The Company shall furnish its annual financial reports like cash flow statement, balance sheet, MIS, and any other information and document as may be desired by SGVU-BBI.

6.7 The Incubatees shall keep confidential, all the discussions, inputs and terms discussed during selection process or while in operation with SGVU-BBI.

6.8 The Incubatees shall use the SGVU-BBI premises only for the business as pre-disclosed by the Incubatee and permitted by the SGVU-BBI. The Incubatee shall not use the premises for purpose of registered office address and/or statutory registrations.

6.9 The Incubatees shall keep the SGVU-BBI and the common space provided neat or clean and to take proper care of the facilities provided during the term of occupation and at the time of leaving the Incubatee shall agree to pay for any damage of such facilities as determined by SGVU-BBI.

6.10 The Incubatees shall observe that noise levels are kept at a minimum and no abnormal level of noise by equipment or employees or visitors should be made.

6.11 The Incubatees shall not takeout of SGVU-BBI premises any equipment without the approval of the official authorised by SGVU-BBI.

7. MANAGEMENT AND INFORMATION RIGHTS

- a. So long as the SGVU-BBI holds any share in the Company, the Company shall deliver to the SGVU-BBI the following information:
 - i. Audited annual financial statements.
 - ii. Unaudited Quarterly (and year-to-date) financial statements including an income statement, a statement of cash flow and a balance sheet.
 - iii. Monthly profitability and cash flow statement.
 - iv. Copy of board pack as circulated to the Directors of the Company
- b. The Company shall intimate the SGVU-BBI in writing, about any event at least 7 days prior to occurrence of such events.
- c. The Company shall keep the SGVU-BBI informed in writing about all material changes, information and events (including but not limited to any information related to future rounds of funding). If the Company fails to keep SGVU-BBI informed about the material information, then the Company shall fully indemnify the SGVU-BBI to its satisfaction against all losses, deficits, damages and claims in the manner as required by the SGVU-BBI.

8. IPR

- a. In case the Incubatees is desirous of using any Intellectual Property of SGVU-BBI then the Incubatees shall make such request in writing to SGVU-BBI and use the same only after the written consent from SGVU-BBI.
- b. The Incubatees shall protect their Intellectual Properties as per the instructions or guidelines as instructed by SGVU-BBI.
- c. Intellectual Property in any and all materials developed, devised, written or otherwise acquired by the Incubatees in the past or during the Incubation period shall vest exclusively in the Incubatees as the sole owner.
- d. The Incubatees shall be the true and legal owner of the Intellectual Property (ies), which are claimed or used by such Incubatee(s) and the same shall be free from all encumbrances.
- e. For the purpose of this Agreement:

“Intellectual Property” means and includes collectively or individually, the following worldwide rights relating to intangible property, whether or not filed, perfected, registered or recorded and whether now or hereafter existing, filed, issued or acquired: (a) patents, patent applications, patent disclosures, patent rights, including any and all continuations, continuations-in-part, divisions, re-issues, re-examinations, utility, model and design patents or any extensions thereof; (b) rights associated with works of authorship, including without limitation, copyrights, copyright applications, copyright registrations; (c) rights in trademarks, trademark registrations, and applications therefore, trade names, service marks, service names, logos, or trade dress; (d) rights relating to the protection of trade secrets and confidential information; and (e) internet domain names, Internet and World Wide Web (WWW) URLs or addresses; (f) mask work rights, mask work registrations and applications therefore; and (g) all other intellectual, information or proprietary rights anywhere in the world including rights of privacy and publicity, rights to publish information and content in any media.”

9. BOARD REPRESENTATION AND NO LIABILITY

- 9.1 The SGVU-BBI shall have the right, but not the obligation to nominate 1 (one) Director in the Board of Directors of the Company and 1 (one) Observer to the Board of meetings of the Company. In the event of any increase in the overall board composition, the number of Directors so nominated by the SGVU-BBI shall proportionately increase.
- 9.2 Quorum for the meetings of Board of Directors would be the presence (either in person or through video conference) of at least 2 directors, including at least one director nominated by the SGVU-BBI (if appointed by SGVU-BBI).
- 9.3 Subject to the provisions of Applicable Laws, the Company expressly agree and undertake that neither the SGVU-BBI nor the Director appointed by the SGVU-BBI shall be liable for any applicable law, including but not limited to, defaults under the Companies Act, 2013 (or a like law) taxation and labor laws of India, since they are not responsible for the day to day management or affairs of the Company.
- 9.4 Subject to the provisions of Applicable Laws, the Company expressly agree and undertake that the Director appointed by SGVU-BBI shall not be identified as an officer in default of the Incubatee, or occupies of any premises used by the incubate or employers under applicable laws. Further, the Company undertake to ensure that the other Directors or suitable persons are nominated as officers in default, occupies and /or employers, as the case may be, in order to ensure that the Director appointed by SGVU-BBI do not incur any liability case may be, in order to ensure that the Director appointed by SGVU-BBI do not incur any liability.

10. NON-COMPETE AND NON-SOLICITATION

So long as the SGVU-BBI holds any Shares in the Company, the Founders shall not directly or indirectly through Third Parties:

- 10.1 disclose to any third party the names, backgrounds or qualifications of any employees of the Incubatee or otherwise identify them as potential candidates for employment.
- 10.2 solicit the clients of the Company and entice business away from the Company or any group companies/ affiliates;
- 10.3 use the services of or make any offers of employment or contract or sub-contract to the Company or an group companies/ affiliates staff or sub-contractors (whether individual or corporate), current or former employees;
- 10.4 engage in any business, directly or indirectly, that is in competition with the business of the Company or any group companies/ affiliates.

11. TRANSFER RESTRICTIONS

As long as SGVU-BBI holds any Shares in the Company, the Founders shall not have the right to Transfer his / its shares in the Company to any Person other than the SGVU-BBI, as the case maybe, without prior consent of the SGVU-BBI.

12. CONFIDENTIALITY

The SGVU-BBI and Incubatee(s) shall keep confidential, the contents of the Incubation and mentoring support and other sensitive information exchanged or received during the incubation period. Both SGVU-BBI and the Incubatee(s) shall take all reasonable measures to protect the secrecy of and avoid disclosure or use of any confidential information of the other Party in order to prevent it from falling into the public domain or the possession of persons other than authorized by such Party.

13. INDEMNIFICATION

The Incubatees shall indemnify, defend and hold harmless the SGVU-BBI its directors, partners, employees, agents and representatives (an "Indemnified Party") from and against any and all damages, losses, liabilities, obligations, claims of any kind, interest, costs, taxes or expenses (including without limitation, reasonable attorney's fees and expenses) suffered or incurred, directly (excluding any consequential losses) by any Indemnified Party as a result of any failure to perform or breach of any provision or term of this Agreement.

14. NO PARTNERSHIP

Nothing in this Agreement shall create or deemed to have create a partnership between the SGVU-BBI and the Company and none of them shall have the power or authority to enter any agreement on behalf of the other or otherwise.

15. AMENDMENTS

This Agreement shall be subject to periodical review and amendments /modification by the SGVU-BBI at its sole discretion without any prior notice or intimation to any person or entity, including but not limited to Incubatee(s). It will be the responsibility of the Company or Start-Up enrolled with SGVU-BBI, to update themselves from time to time on amendments in Agreement and procedures. SGVU-BBI reserves the rights to make an exception of all or any of the terms of Agreement for particular Company or Start-Up on a case to case basis more specifically making Suresh Gyan Vihar University, Jaipur as party to this Incubation Agreement being Host Institution of SGVU-BBI subject to approval by its Board of Governors.

16. TERM AND TERMINATION

- a. The term of the Agreement shall be Twelve Months (12 months) from the Effective Date, which may be renewed by SGVU-BBI for subsequent Twelve Months (12 months). In no case the term of Agreement shall exceed 36 months.
- b. SGVU-BBI shall have sole right and discretion to remove any Company from the SGVU-BBI, which has either violated any rule or provision, set out by this Agreement or any other directives or rules of the SGVU-BBI. The SGVU-BBI may give 7 days' notice before terminating any Company from the SGVU-BBI. The decision of the SGVU-BBI in this regard shall be final and binding upon Company. SGVU-BBI shall not be under obligation to give any reason to Company for its removal from the SGVU-BBI.

17. CONSEQUENCES OF TERMINATION

In the event of removal or termination of the Incubatee(s) from the SGVU-BBI for any reason:

17.1 the Company shall immediately stop and refrain from using the SGVU-BBIs name, logo or any kind of intellectual property rights permitted by SGVU-BBI;

17.2 the Company shall within 7 days of the removal or termination clear all the dues and outstanding amounts of the SGVU-BBI.

17.3 the Company shall within 7 days of the removal or termination clear all its belonging and other items from the SGVU-BBI.

18. NOTICE

Any notice or other document to be given under this Agreement shall be in writing and may be given to either of the Parties (as the case may be) by email as well as by first class post or other fast postal service at the addresses mentioned above in the Parties description.

19. LEGALLY BINDING

Unless otherwise indicated the obligations in this Agreement shall be legally binding. In the event of any dispute between the Incubatee(s) and the SGVU-BBI, the SGVU-BBI and Incubatee(s) shall use their best endeavors to resolve the dispute through amicable negotiations. If no settlement is reached. It shall be referred to the Governing Body of SGVU-BBI, for arbitration, whose decision shall be final and binding.

20. EXPENSES& STAMP DUTY

20.1 Each Party hereto shall bear its own costs and disbursements of and incidental to the execution of this Agreement, including professional fees and costs of its respective advisors and counsel.

20.2 Company shall bear and pay the stamp duty on this Agreement.

21. WAIVER OR RESERVATION OF RIGHTS

No forbearance, indulgence or relaxation or inaction by any Party at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision. Any waiver or acquiescence by any Party of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any right under or arising out of this Agreement, or of the subsequent breach, or acquiescence to or recognition of rights other than as expressly stipulated in this Agreement.

22. SEVERABILITY

If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such

provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by applicable law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provisions.

In witness whereof parties hereto have signed this Incubation and Mentoring Agreement on the date and year mentioned hereinbefore.

For Suresh Gyan Vihar University- Biotechnology Business Incubator

Name: Mr. Kanishk
Sharma
CEO, SGVU-BBI
Jaipur, Rajasthan

Founder1

Name:
Signature:_____

Founder 2

Name:
Signature:_____

Company

Director's Signature