

INCUBATION AGREEMENT

THIS INCUBATION AGREEMENT (hereinafter referred to as this “**Agreement**”) is made on _____ day of _____, 20__ (“Effective Date”) at _____.

BY AND AMONG

_____ Incubation Centre, having CIN _____, a Section 8 company incorporated under Companies Act 2013, having its registered office at _____, which is (hereinafter referred as “_____Incubator” which expression shall, unless inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) of the **FIRST PART**;

AND

_____ [Private Limited/LLP/Partnership Firm] having CIN/ LLPIN _____, with registered office at _____ is at business stage [ideation, preparing prototype, prototype ready, launched, scaled] _____(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 **SECOND PART**;

AND

[Mr/Ms]_____ 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 **THIRD PART**;

AND

[Mr/Ms]_____ 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 **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 _____ Incubator, Company and the Founders shall hereinafter be collectively referred to as “**Parties**” and individually as a “**Party**”.

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 _____ Incubator shall be provided incubation and mentoring support for _____ incubation program as per this Agreement and other terms as decided and deemed fit by the _____ Incubator from time to time.

2. TENURE OF INCUBATION

2.1. The incubatee shall be using the facilities of _____ incubator with effect from _____ and is carrying out full-fledged activities as an incubatee.

2.2. _____ Incubator will permit Incubatee Company to commence incubation on campus with effect from _____ and the incubation shall expire on _____.

2.3. The period of Incubation can be extended only by renewal of an Incubation agreement.

3. FACILITIES AND INFRASTRUCTURE

3.1. _____ Incubator will provide facilities to the incubatee. The facilities and infrastructure more specifically are identified in **ANNEXURE A**.

3.2. Upon agreement facilities as given in **ANNEXURE A**, will be offered to the incubatee on a payment basis in the amount of _____ per month.

4. INCUBATION COSTS

4.1. For providing incubation facility support _____ Incubator shall charge a fee of _____ INR per month per seat excluding all applicable taxes.

4.2. In addition to above clauses, the incubatee shall be obligated to allot/transfer/issue, free of cost or at face value, 3% to 4% _____ % (depending upon start-up stage) of the equity shares on a fully diluted basis to the _____ Incubator or any other person or entity nominated by the _____ Incubator.

4.3. All applicable taxes shall be charged extra at actual by the _____ Incubator and be solely borne by the incubatee.

4.4. The Incubatees shall be jointly and severally liable for the payment of above costs to the _____ Incubator.

5. OBLIGATIONS OF THE INCUBATEES

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

5.1.1. The Incubatee shall pay the fee and issue/ transfer / allot *equity shares* to the _____Incubator as per *clause 5* within 7 days of signing this Agreement.

5.1.2. _____Incubator shall have the right, but not the obligation, to appoint one Director on Board of the incubatee and a Board Observer during the tenure of incubation or till the time _____Incubator holds any equity shares, whichever is later.

5.1.3. In case of failure to pay the fee to _____Incubator as per *clause 4*, the incubatee shall be liable to pay a nominal interest as decided by _____Incubator. In case the incubatee is unable to pay outstanding amounts (along with the interest) to the _____Incubator, the _____Incubator shall have the option to require the incubatee to issue equity shares equivalent to the amount outstanding in the name of _____Incubator.

6. TERMINATION

6.1. _____Incubator shall have sole right and discretion to remove the incubatee from the _____Incubator, which has either violated any rule or provision, set out by this Agreement or any other directives or rules of the _____Incubator.

6.2. The _____Incubator may give 7 days' notice before terminating the incubatee from the _____Incubator. The decision of the _____Incubator in this regard shall be final and binding upon the incubatee. _____Incubator shall not be under obligation to give any reason to incubatee for its removal from the _____ Incubator.

Signature: _____

Name: _____

Designation: _____

_____ Incubation Centre

Founder 1

Name:

Signature: _____

Founder 2

Name:

Signature: _____

Company

Director's Signature