PARTNER WITH US

Indicative Angel Investor Participation Terms & Conditions

A balanced framework designed to protect BAGANS' continuity, preserve operational independence and provide an angel investor with a clear, documented economic participation and transparent exit mechanism.

Investment character	Equity / ownership participation - not a loan, deposit or guaranteed-return instrument.
Aggregate angel holding	Maximum 10% of the issued/fully diluted ownership of the BAGANS operating entity, across one or more angel investors, unless later altered by a duly approved written corporate action.
Lock-in	4 years from allotment, extendable only by mutual written agreement.
Profit participation	Recommended: an aggregate Angel Profit Pool of up to 25% of Distributable Net Profit for the relevant financial year, shared among participating angel investors pro rata to their agreed participation, but only if lawfully structured and expressly approved/documented. No return is guaranteed.
Exit principle	Exit must not interrupt BAGANS' business, assets, contracts, employees, suppliers, customers, brand, licences, banking or working capital. Post-exit disputes are limited principally to final accounts and amounts lawfully due.
Dispute resolution	Good-faith negotiation followed by ad-hoc arbitration seated and placed in Mumbai, India, under the Arbitration and Conciliation Act, 1996.

Important: This is an investor-facing indicative framework, not the final subscription/shareholders' agreement. The final structure must match the legal form of the entity that owns/operates BAGANS, its constitutional documents, valuation, tax position and applicable Indian company/securities/foreign-exchange law.

1. Purpose and Partnership Philosophy

BAGANS seeks patient, constructive angel capital that supports growth without disturbing the specialist, quality-led and responsible-sourcing character of the business. The relationship is intended to be one of ownership participation and shared commercial success, not creditor financing.

The investor is expected to contribute capital, perspective, networks and, where useful, non-binding strategic inputs. Day-to-day control remains with BAGANS' management. Commercial disagreements must never paralyse the operating business.

2. Legal Entity and Definitive Documentation

The investment shall be made only into the duly identified legal entity that owns, operates or is authorised to operate the BAGANS business (the “BAGANS Entity”). Before accepting funds, the parties shall sign a term sheet and thereafter definitive subscription and shareholders' documentation, together with all required corporate approvals and statutory filings.

The definitive documents shall record the investor, investment amount, valuation, securities, percentage holding, rights, lock-in, transfer and exit mechanism, profit-distribution arrangement, information rights, confidentiality, dispute resolution and applicable law. Mandatory law prevails over any inconsistent indicative term.

3. Nature of Investment - Expressly Not a Loan

The capital contributed is an equity investment and shall not constitute a loan, advance repayable on demand, fixed deposit, debt, secured borrowing or guarantee by BAGANS or its founders. The investor assumes normal entrepreneurial and business risk associated with ownership.

There shall be no fixed interest, assured return, guaranteed minimum profit, guaranteed redemption value or founder guarantee. Economic return shall arise only from lawful distributions, appreciation in the value of the investor's shares/securities, or consideration received on a permitted transfer or exit.

A share certificate or other legally prescribed evidence of the allotted security shall be issued in accordance with applicable law and the constitutional documents of the BAGANS Entity, and the investor's name shall be entered in the appropriate statutory records.

4. Size of Angel Participation

One or more angel investors may participate. The aggregate angel-investor ownership contemplated under this programme shall not exceed 10% of the BAGANS Entity on the agreed measurement basis. The definitive documents should state whether the 10% is measured on issued share capital or on a fully diluted basis.

No individual investor acquires a right to the entire 10%. Allocation shall depend upon valuation, investment amount, timing, strategic value, compliance and approval by BAGANS.

5. Valuation and Allotment

The pre-money/post-money valuation, issue price and number of securities shall be fixed in writing before funds are accepted, supported by such valuation report or professional certification as may be required. The investor shall complete KYC, source-of-funds and beneficial-ownership documentation reasonably requested by BAGANS.

No oral assurance, website statement, projection, business plan or forecast shall override the executed investment documents. Forecasts are estimates and not promises of turnover, margin, valuation or profitability.

6. Four-Year Lock-In

The investor shall remain invested for a minimum lock-in period of four years from the date of allotment. During the lock-in, the investor shall not require BAGANS, its founders or its business to repay the investment, redeem the investment, purchase the investor's shares, liquidate assets or divert working capital merely to facilitate an exit.

The lock-in may be extended for such additional period as BAGANS and the investor mutually agree in writing. An extension shall not be presumed from silence or continued participation.

7. Recommended Profit Participation

The recommended commercial structure is an aggregate “Angel Profit Pool” of up to 25% of the Distributable Net Profit of the BAGANS Entity for a financial year, allocated among all participating angel investors in proportion to the economic participation recorded in their definitive documents. This is a pool for all angel investors collectively, not 25% for each investor.

Because aggregate equity ownership is capped at 10%, a 25% profit pool should be implemented only if it is legally and tax-compliantly structured in the constitutional and investment documents. If that enhanced participation cannot lawfully be implemented for the chosen security/class, distributions shall follow the lawful rights attached to the securities actually issued.

No distribution is automatic or guaranteed. A distribution may be made only after annual accounts are finalised, applicable audit/review is completed, taxes and statutory liabilities are provided for, depreciation and provisions are recognised, prior losses are dealt with as required, and adequate working capital and reserves are retained.

8. Meaning of Distributable Net Profit

“Distributable Net Profit” means the net profit lawfully available for distribution for the relevant financial year after taking into account all operating and business expenses and all deductions properly attributable to the business.

Deductions may include procurement and supplier payments; salaries and professional fees; rent; warehousing; transport, freight and logistics; insurance; cleaning, grading, testing, processing and packing; packaging; commissions; marketing; samples; travel; utilities; technology; licences and certifications; food/export compliance; bank and payment charges; finance costs; foreign-exchange losses; bad-debt and inventory provisions; claims and returns; taxes; depreciation/amortisation; audit/accounting/legal costs; reasonable management overhead; working-capital provisions; and prudent reserves approved in good faith.

Investor capital, borrowings, capital asset-sale proceeds and unrealised valuation gains shall not be treated as operating profit merely to enlarge the profit pool.

9. Retained Earnings and Business Continuity Reserve

Before any investor distribution, BAGANS may retain a commercially reasonable portion of profits for inventory cycles, seasonal procurement, receivables, quality control, compliance, expansion, contingency, technology, marketing and other legitimate business requirements. A distribution should never leave

BAGANS under-capitalised.

Annual accounts should transparently identify the calculation of Distributable Net Profit and the amount retained for business requirements. Management discretion must be exercised in good faith and not to artificially suppress a lawful investor entitlement.

10. Capital Assets - No Investor Ownership in Specific Assets

All land interests, leasehold rights, plant, machinery, equipment, vehicles, furniture, computers, inventory, packaging material, licences, registrations, databases, intellectual property, domain names, trademarks, goodwill, customer relationships and other assets acquired or used by BAGANS shall belong to the BAGANS Entity or lawful third-party owner, as applicable.

An investor owns the shares/securities allotted to the investor; the investor does not acquire direct title, lien, charge, co-ownership or possessory rights over any specific BAGANS capital asset. On exit, the investor shall not remove, partition, seize or demand transfer of any business asset.

11. Use of Investment Funds

Investment funds may be deployed for lawful business purposes including working capital, procurement, inventory, receivables support, quality and laboratory testing, compliance, traceability, processing/packing partnerships, warehousing, logistics, market development, export readiness, technology, staff and selective capital expenditure.

The preferred philosophy is asset-light at the early stage: capital should accelerate a proven operating system rather than finance uncontrolled inventory, with capital-intensive processing outsourced to audited partners until scale justifies selective owned infrastructure.

12. Management and Operational Independence

The investor shall not interfere in daily procurement, pricing, supplier selection, employee supervision, customer negotiations, banking, logistics, quality release, litigation strategy, regulatory interaction or ordinary-course expenditure. Suggestions are welcome, but management retains executive authority.

The investor shall not represent or bind BAGANS, place orders, hire or dismiss personnel, contact counterparties as an authorised representative, issue public statements, use BAGANS' bank accounts or make commitments in BAGANS' name without express written authority.

13. Reserved Matters - Balanced Investor Protection

The definitive shareholders' agreement may provide a limited list of reserved matters requiring enhanced approval, such as alteration of rights attached to the investor's class, issue of securities having superior rights, voluntary winding-up, sale of substantially all business assets, material non-ordinary-course related-party transactions, or a fundamental change in the principal nature of the business.

Reserved matters shall not extend to routine operations and shall not permit a minority investor to block ordinary procurement, sales, staffing, compliance, banking, working-capital or customer decisions.

14. Information and Accounts

The investor should receive annual financial statements and a concise annual management report, together with reasonable periodic information appropriate to the size and stage of BAGANS. Inspection rights shall be exercised on reasonable written notice, during business hours and subject to confidentiality and

non-disruption.

The investor shall not have unrestricted access to personal data, legally privileged material, supplier trade secrets, customer confidential information or documents whose disclosure would breach law or third-party obligations.

15. No Employment or Remuneration Right

Investment does not create employment, partnership in the legal sense, agency, consultancy, board membership, salary, commission or reimbursement rights. Any separate role must be recorded in a separate written agreement approved by BAGANS.

16. Transfer During and After Lock-In

During the lock-in, transfer is prohibited except a permitted transfer expressly approved under the definitive documents or where mandatory law requires otherwise. After the lock-in, an investor wishing to exit shall give BAGANS written notice specifying the securities proposed to be transferred and the bona fide terms.

The definitive documents may provide a reasonable right of first offer or right of first refusal in favour of founders, existing shareholders or BAGANS where legally permissible. If not exercised within the stated period, transfer may be made to a bona fide third party on no more favourable terms, subject to KYC, competitor restrictions, law and a deed of adherence.

17. Exit Without Hindrance to BAGANS

An investor's exit shall be implemented at shareholder/security-holder level. The investor shall have no right to obstruct BAGANS' trading, freeze bank accounts, stop procurement or dispatch, take possession of stock, contact customers demanding payment, interfere with employees, seize assets, suspend licences, demand business closure or otherwise disrupt the going concern merely because an exit or valuation disagreement exists.

BAGANS shall cooperate reasonably with a lawful exit and execute properly required corporate documents, provided the exit does not compel an unlawful distribution, impermissible financial assistance, asset stripping or payment prejudicial to creditors or the business.

18. Exit Valuation

The parties should first seek to agree the exit price commercially. Failing agreement, fair value may be determined by an independent chartered accountant, registered valuer, merchant banker or other qualified professional as applicable to the transaction and law, considering the nature of the security, performance, assets and liabilities, working capital, comparable transactions and accepted valuation factors.

Unless expressly provided otherwise, the investor is not guaranteed return of the original investment or any minimum multiple. The investment may increase or decrease in value.

19. Final Accounts on Exit

After transfer/exit becomes effective, disputes should, so far as legally possible, be confined to reconciliation of equity consideration, declared but unpaid distributions, approved reimbursable sums, tax deductions and other amounts specifically recorded as due.

A disputed accounting amount shall not suspend or reverse the exit, invalidate ordinary BAGANS transactions, or create a right to interfere with assets or management. Undisputed amounts should be paid when due; disputed amounts may be separately accounted for pending resolution.

20. No Security or Charge

Unless separately and expressly approved in compliance with law, the investor's securities shall not be secured by BAGANS' assets, founders' personal assets, inventory, receivables, intellectual property or bank accounts. The investor shall not assert a charge, lien or encumbrance over BAGANS property merely by reason of the investment.

21. Future Funding and Dilution

BAGANS may raise further equity, strategic capital, debt, grants or other lawful funding. The investor accepts that future issuances may dilute percentage ownership unless a limited pre-emptive right is expressly granted. No anti-dilution protection should prevent genuine fundraising required for growth or survival.

Any pre-emptive right should be proportionate, time-bound and subject to customary exclusions such as employee incentives, disclosed conversions and strategic issuances.

22. Intellectual Property, Brand and Goodwill

The BAGANS name, logo, trade dress, website, domains, social identifiers, product specifications, supplier/customer databases, quality systems, know-how, content and goodwill remain exclusively with their lawful owner. Investment does not grant a personal licence to use BAGANS intellectual property except with prior written consent.

23. Confidentiality and Responsible Communications

Each investor shall keep confidential non-public financial, commercial, technical, sourcing, customer, supplier, pricing, strategy and personal information received through the investment. Disclosure may be made to professional advisers bound by confidentiality or where required by law.

The parties should avoid public statements intended to damage the other's reputation during a disagreement. Nothing prevents truthful disclosures to regulators, courts, arbitral tribunals or professional advisers.

24. Conflicts, Competitors and Non-Solicitation

An investor shall promptly disclose material conflicts. Confidential information shall not be used to assist a direct competitor or divert a BAGANS opportunity.

During the investment and for a reasonable period permitted by law after exit, the investor should not misuse confidential information to solicit BAGANS employees, key suppliers or customers. This protects relationships and confidential information and is not intended as an unlawful restraint.

25. Compliance and Conduct

All parties shall act in good faith, avoid fraud, wilful misconduct and misuse of company property, and comply with applicable anti-bribery, anti-money-laundering, food-safety, tax, corporate and other laws. No investor may require BAGANS to compromise quality, traceability or compliance to accelerate returns.

26. No Guaranteed Board Seat

A minority angel investment does not automatically carry a board seat, veto over management or signing authority. BAGANS may by written agreement invite a representative as a non-executive observer or adviser, subject to confidentiality, conflicts and board procedures.

27. Default and Material Breach

Material breach may include fraud, wilful misuse of confidential information, unauthorised representation of BAGANS, unlawful interference with business, material KYC/source-of-funds misrepresentation, or persistent breach not cured within a reasonable written cure period.

Remedies should be proportionate and favour cure, compensation or orderly transfer rather than disruption. Any compulsory-transfer mechanism must be expressly documented, legally permissible and fairly valued according to the circumstances.

28. Death, Incapacity or Succession

The investor should document lawful succession arrangements. Legal heirs or successors take the investment subject to the same constitutional documents, unexpired lock-in, confidentiality, transfer restrictions and dispute-resolution provisions. Succession shall not create management rights or permit disruption of BAGANS.

29. Taxes and Withholding

Each party bears its own taxes arising from subscription, holding, distributions and exit, except where law places liability on the company. BAGANS may deduct or withhold taxes as required and provide appropriate records. The investor should obtain independent tax advice.

30. Annual Partnership Review

At least once each financial year, BAGANS and angel investors may hold a structured review covering performance, cash cycle, capital needs, quality/compliance, market development, major risks and indicative outlook. The review is consultative and does not convert the investor into an operational manager.

31. Dispute Prevention and Escalation

A party raising a concern shall first give written notice identifying the issue and relief sought. Senior representatives shall meet or confer in good faith within 15 days where reasonably practicable. The parties should attempt a commercial resolution for at least 30 days before arbitration, unless urgent interim protection is genuinely required.

Operational disagreements shall not be used to stop BAGANS' ordinary business. Pending resolution, each party shall continue performing undisputed obligations and preserve relevant records.

32. Ad-Hoc Arbitration - Mumbai

Any dispute, controversy or claim arising out of or relating to the investment documents, including interpretation, breach, termination, exit, valuation, accounts or distributions, which is not resolved amicably, shall be referred to ad-hoc arbitration under the Arbitration and Conciliation Act, 1996, as amended.

The tribunal shall consist of a sole arbitrator mutually appointed by the parties. If they fail to agree, appointment shall be made in accordance with the Act. The seat and legal place of arbitration shall be Mumbai, Maharashtra, India. Hearings may be physical, virtual or hybrid. The language shall be English.

The tribunal may award costs and interest in accordance with law. The award shall be final and binding subject to statutory remedies. Courts at Mumbai having competent jurisdiction shall exercise supervisory jurisdiction, subject to mandatory law.

33. Interim Protection

Nothing prevents lawful urgent interim measures. The parties nevertheless intend that interim relief should, wherever legally possible, protect legitimate rights without unnecessarily stopping BAGANS' ordinary trading, employee payments, supplier payments, food-safety compliance or customer fulfilment.

34. Governing Law

The investment documents and relationship shall be governed by the laws of India. Corporate matters shall additionally remain subject to the statute governing the BAGANS Entity, its constitutional documents and mandatory regulatory requirements.

35. Entire Understanding and Amendments

The final executed subscription/shareholders' documents shall constitute the binding agreement and supersede prior oral discussions concerning the investment. Any amendment, including extension of the four-year lock-in or modification of economic rights, must be in writing and approved/executed as required by law.

36. Severability and Business-Preservation Principle

If any clause is invalid or unenforceable, it should be read down or severed to the minimum extent necessary, while preserving the remaining agreement. The parties shall replace it with a lawful provision that most closely reflects the original commercial purpose.

The overriding commercial principle is continuity: an investor dispute, exit or accounting disagreement should be resolved at the ownership/accounting level and should not dismantle, immobilise or unnecessarily impair BAGANS, its assets, brand, licences, supplier network, customer relationships, employees or ordinary business.

37. Closing Acknowledgment

Each angel investor acknowledges that agriculture and food trading involve seasonality, crop variability, quality rejection, commodity-price movements, logistics risk, customer credit risk, regulatory requirements, foreign-exchange exposure and working-capital cycles. The investor has the opportunity to take independent legal, tax and financial advice and invests on the basis of executed documents rather than an assurance of profit.

BAGANS acknowledges that investor capital deserves transparent stewardship, proper accounts, fair treatment, timely communication of material matters and an orderly route to exit. The intended relationship is one of patient capital, documented rights, responsible governance and uninterrupted enterprise.

IMPLEMENTATION CHECKLIST BEFORE ACCEPTING AN ANGEL INVESTMENT

- Confirm the exact BAGANS operating/investment entity and its authorised share capital / permitted securities.
- Obtain a professional valuation and decide the issue price, investor percentage and whether the 10% cap is issued or fully diluted.
- Confirm whether the proposed 25% aggregate Angel Profit Pool can lawfully be attached to the chosen security/class; if not, use the lawful distribution rights of the issued securities.
- Prepare and approve the term sheet, subscription agreement, shareholders' agreement and any required constitutional amendments.
- Complete investor KYC, beneficial ownership and source-of-funds checks; consider FEMA/FDI rules for any non-resident investor.
- Obtain corporate approvals, receive funds through proper banking channels, complete allotment/filings and issue the prescribed share certificate/evidence.
- Create an investor register/data room and annual reporting calendar.
- Adopt a written distribution policy defining Distributable Net Profit, reserves, working-capital protection and payment timing.
- Adopt the exit/transfer procedure, valuation mechanism and deed-of-adherence process.
- Keep the arbitration clause, confidentiality obligations and business-continuity covenant consistent across all definitive documents.

Investor-Friendly Summary

You invest as an owner, not as a lender. Your ownership is documented. You share in lawful economic returns, receive defined information, and have a clear route to transfer/exit. BAGANS keeps the freedom to run the business, protect working capital and own its assets. If a disagreement occurs, the business continues; valuation, accounts or payment issues are resolved separately through negotiation and, if necessary, ad-hoc arbitration in Mumbai.

Drafting note: The 25% profit-participation concept is intentionally expressed as an aggregate pool for all angel investors and is subject to lawful structuring. It should not be advertised as a guaranteed return. Definitive documents should be settled after confirming the legal entity, cap table, valuation, resident/non-resident status of investors and tax treatment.