

## INCUBATION AGREEMENT

BETWEEN

Centre for Pharmaceutical Innovation & Entrepreneurship (CPIE) – NIPER SAS Nagar

AND

.....Private Limited

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This Incubation Agreement (“**Agreement**”) is executed at Sector 67, S.A.S. Nagar (Mohali)-160062, Punjab, India on the \_\_\_\_\_ (“**Execution Date**”) between

1. **Centre for Pharmaceutical Innovation & Entrepreneurship (CPIE) – NIPER SAS Nagar** Sector 67, S.A.S. Nagar (Mohali)-160062 is centre establishes under the aegis of National Institute of Pharmaceutical Education and Research (NIPER) S.A.S. Nagar (Hereinafter called as “**FIRST**” or “**Incubation Centre**” or “**Incubator**”) and represented by its Chief Operating Officer and the authorized signatory Mr....., resident of India of the **FIRST PART**

AND

2. \_\_\_\_\_, a private limited company incorporated under the provisions of the Companies Act, 2013 with its registered office at \_\_\_\_\_ (Herein after called as “**Incubatee**”) and represented through its authorized signatory \_\_\_\_\_, resident of India of the **SECOND PART**.

(FIRST and the Incubatee are each a “**Party**” and collectively the “**Parties**”).

### Recitals:

- (a) **FIRST**, established at NIPER SAS Nagar for the promotion of various objectives of National Institute of Pharmaceutical Education and Research S.A.S. Nagar(NIPER-S) is an umbrella for promotion of entrepreneurship at NIPER-S. **FIRST** administers an incubator that provides support for Pharmaceutical based entrepreneurship. The objective of FIRST is primarily to promote industry and entrepreneurs to incubate innovation using NIPER’s facilities, creative manpower and research eco-system. FIRST provides incubation services to different start-ups in the pharmaceutical/Biotechnology/Healthcare based areas and aims at creating a complete and comprehensive ecosystem to promote and nurture innovative enterprises.
- (b) The direct goal of **FIRST**’s incubation support is to enable Incubatees and their businesses to become viable and support themselves at the outset and continue to grow and achieve scale.
- (c) .....(P) Limited is desirous of availing the incubation services and applied for the incubation services through its incubation application dated..... and its business plan [as appended in **Annexure 1**]
- (d) The Monitoring committee of **FIRST** through its meeting dated .....has approved the incubation application of ..... (P) Limited for the incubation Services at FIRST pursuant to the detailed terms and conditions of this agreement.

(e) The board of directors of the Incubatee, through a board resolution passed in its meeting dated.....,to avail the Incubation Services from FIRST, subject to the detailed terms and conditions of this Agreement, has authorised Mr.....the director& the promoter of the company, to execute this agreement on behalf of the company, the certified true copy of the said board resolution, is appended in **Annexure 2**.

(f) While **FIRST** will make every earnest effort to provide the Incubatee with the Incubation Services described in this Agreement, the same cannot be made legally binding on **FIRST**.

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**NOW, THEREFORE**, in consideration of the foregoing, the covenants and conditions herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto covenant and agree as follows:

### **1. Interest Free Refundable Security Deposit**

The Incubatee hereby agrees to deposit Rs 25,000/- (Twenty Five Thousand Only) as an interest free security deposit with FIRST, through a Demand Draft or a Banker's Cheque, which shall be refunded to the incubatee at its exit from FIRST after deducting outstanding dues and/or after adjusting for any potential cost to FIRST if any.

### **2. Scope of services**

**FIRST** will provide following incubation services to the Incubatee:-

#### **2.1 Facilities and Infrastructure**

Essentially, the CPIE at NIPER is able to support the "Space, Services and Knowledge" requirements of startups in Pharma and allied sectors. At present, 'seed funding' facility is not provided but it is expected to be added in future.

NIPER CPIE offers the following for start-ups and residents – Even though the offerings are not restricted to following, CPIE offers:

- Infrastructure facility like space, electricity, water, communication facility, auditorium, seminar halls, guest house etc.
- Know-how in terms of publications, technology, patents, etc. as permissible under statutes and IPR policy of NIPER
- Access to facilities such as TDC, NBC, NTC, CIL, among others
- Opportunity to develop technology through license to the incubatee
- Platform to network with funding agencies
- Facility to seek inputs on IPR issues
- Mentoring
- Support in terms of professional consultancy

#### **2.2 Common infrastructure**

FIRST provides a common pool of hard and soft infrastructure to be shared by all Incubatees. Certain resources can be provided on charge basis by FIRST on request of the Incubatee and subject to the rules and regulations framed by FIRST in this regards as applicable from time to time.

## 2.3 Other Infrastructure

FIRST will facilitate access to the FIRST's infrastructure on request of the Incubatee as per regulations made by FIRST in this regard. The facilities will remain under the overall control of FIRST and will be available to the Incubatee only for specific activities.

## 2.4 Other Services

The Incubation services will also include:-

- Pool of mentors, experts in technology, legal, financial and related matters (only advisory) , with or without consideration
- Trainings and workshops
- Organising events to help incubatee in networking and showcasing their technologies
- Meetings with visitors of NIPER-S (such as alumni, VCs, industry professionals etc.)
- In addition, FIRST will also build up information and knowledge pool to be useful generically for the Incubatee.
- Other benefits of the Eco System

## 3. Rules and Regulations of Incubation at FIRST

The Incubatee hereby agrees to comply and follow the Rules and Regulations, framed by FIRST for the Incubation Services, specified in the detail and appended herein **Schedule 1.Schedule 1** forms part of this agreement and is hereby accepted by the Incubatee in its entirety and the Incubatee and its directors/Promoters hereby indemnify FIRST and undertake to remain responsible for all dues payable or losses suffered on account of any act, negligence, default on the part of the Incubatee and its Directors and employees.

## 4. Period of Incubation

The total period of the incubation [herein after called Incubation period] will be three (3) years extendable by another two (2) years..During Extension period the progress will be monitored every half yearly or quarterly as the case may be. The Incubation period will start from.....(date) and will expire on.....(date).

The above Incubation period will comprise three phases (each phase of 12 months only).

On completion of the first phase [from (Date).....to....(date)]. of incubation, the monitoring committee,of FIRST, will review and evaluate the overall performance and working of the Incubatee in regards to the different terms and conditions of this agreement and other relevant factors which the committee deems fit and based on the positive review and evaluation report of the monitoring committee, the incubatee will be sanctioned to avail the incubation services for the next phase of 12 months [from (Date).....to....(date)] and subsequently for third phase of 12 months [from (Date).....to....(date)].

For the avoidance of the doubt, it is hereby stated that the Monitoring Committee will use its sole discretion in terms of reviewing and evaluating the overall performance and working of the Incubatee and the incubatee will have no right to challenge the evaluation report of the monitoring committee.

The Incubation period can be extended only by FIRST at its sole discretion subject to a condition that the total period of the incubation, including the period so extended, shall not exceed 5 (five) years.

#### **5. Terms of Residency including Charges to be levied**

- Each applicant approved for availing space by the Managing Committee, will have to execute a incubation Agreement for space utilization with the Institute.
- Each successful applicant, admitted as a resident member of the Incubator, will have to pay INR 34 per square feet per month, as rent for the office space. The utilization charges will be subject to enhancement every two (2) years.
- Each successful applicant must pay to the Institute charges towards utilization of power, water and network facilities according to usage.
- Charges for facilities like the seminar hall, conference room, auditorium, guest house, training hostel etc. shall be charged on usage basis at 50% of the applicable rates for the industry.
- The core facilities available at NIPER such as Central Instrumentation Lab (CIL), National Bioavailability Center (NBC), National Toxicology Center (NTC), Technology Development Center (TDC), among others can be utilized by members of the Incubator on payment of nominal charges as approved for SMEs under Small and Medium Pharmaceutical Industries Centre (SMPIC) and/or Institutional Discounts which shall be reviewed by the Managing Committee from time to time.
- All members approved for the Incubator residency will be required to share the profits (minimum of 5% of the profits after tax) and 6-8% of the equity, as negotiated between incubatee and CPIE-NIPER.
- Incubator address in the Institute cannot be used as the address of the Registered Office of the Resident Company.

#### **6. Termination of the agreement**

**FIRST** reserves the right to terminate this agreement even during the Incubation Period and/or to deny access to the Incubation services and the premises, after giving a 1 month notice, in the following circumstances:-

- a) Where the incubatee violates any of the terms and conditions of this Agreement and Rules and regulations as may be framed by FIRST, from time to time; or
- b) Commits any fraud, theft or any other offence punishable under law; or
- c) Unsatisfactory performance of the incubatee as per the determination of the Monitoring committee of FIRST
- d) Where the incubatee violates any rules and regulations of NIPER-S.
- e) Such other circumstances as may deem fit in the interest of the parties to this agreement.

Upon termination of the Agreement, the Incubatee shall be prohibited from accessing the Incubation premises as set out in **Schedule 2** and the Incubation Premises, provided by FIRST to the incubatee, will be sealed. This form of exit from the incubator would be considered an abnormal exit and FIRST will be entitled to forfeit the security deposit, provided by the Incubatee.

#### **7. Consideration**

**7.1 Equity shares** All members approved for the Incubator residency will be required to share the profits (minimum of 5% of the profits after tax) and 6-8% of the equity, as negotiated between

incubatee and CPIE-NIPER. This 6-8% Equity Shares will be issued, at the face value (nominal value) of the shares, on free of cost basis, to FIRST.

**7.2 Rates and Charges for infrastructure and facilities:** - FIRST shall levy charge on the incubatee for the Incubation premises, infrastructure and facilities. Each successful applicant, admitted as a resident member of the Incubator, will have to pay INR 34 per square feet per month, as rent for the office space. The utilization charges will be subject to enhancement every two (2) years. Current charges and rates are given in Schedule 3.

**7.3 Amendments** FIRST may change the above rates from time to time at its sole discretion and date of implementation of the amended charges shall be applicable with immediate effect.

**7.4 Monthly Charge** A monthly charge other than office space, will be charged by FIRST and shall be payable strictly within seven days in the consecutive month.

**7.5** The Incubatee will pay to FIRST a charge for utilization of the space allotted to it @ Rs 34.00 per Sq. Ft. per month. The consideration shall be space \* 34 per month, subject to a enhancement every two (2) years. The said consideration shall be payable by the Incubatee in the following manner:

**7.1.1 Advance:** - Rupees Fifty thousand per quarter shall be payable in advance for every quarter one week before the start of the quarter or on the 7th of the month preceding the quarter. Quarter for this purpose would mean the quarter as per the English calendar commencing from January every year. The consideration for the quarter during which the incubation commences shall be proportionately adjusted taking into consideration the date of commencement of the incubation.

**7.6 Consequences of default:** In the event, if the Incubatee fails to make the monthly payment and/or other charges and rates for infrastructure and facilities, as mentioned above, continuously for a period of two months, this agreement shall be deemed to be terminated and the incubatee shall vacate the Incubation Premises immediately. Under these circumstances, FIRST reserves the right to seal the Incubation Premises of the Incubatee.

Exemption:-However, the Chief Operating Officer (COO) of FIRST may, in his sole discretion, based on the sufficient causes submitted by the Incubatee for the delay in making the monthly payment continuously for two months; or any other relevant reasons, may relax this delay and may permit the Incubatee to avail the incubation services on clearance of all the dues, charges, rates etc. of FIRST either with or without interest of 20% p.a. on such pending dues, as a penalty for the late payment, subject to such terms and conditions as may be imposed by him.

## **8. No Guarantee of Results**

FIRST does not undertake responsibility, but shall endeavour for

- a) Ensuring success of the Incubatee, its products/ process/ services or marketability.
- b) Ensuring quality of support and services provided by FIRST to the complete satisfaction of the Incubatee or their promoters/ founders
- c) Ensuring quality of services of the consultants engaged by the Incubatee through FIRST network. Incubatee will have to apply its judgment before getting in to a relationship with them
- d) The incubatee companies agree that FIRST or their employees shall not be held liable for any reason on account of the above.

## **9. Activities Permitted:**

- a. The activities permitted shall be in the pharmaceutical and allied areas and include product development, product innovation, simulation, prototyping, pilot experimentation, web-based training, surveys and similar other technology related work.
- b. No regular or routine manufacturing or commercial supply activities are expected to take place in the incubation premises.
- c. The emphasis is on R&D and technology consultations with the resident faculty experts in the institution and simultaneously helping NIPER students and scholars to get training and motivation for self-employment and entrepreneurship.
- d. Activities carried out at incubator should not have direct conflict of interest with the activities of NIPER. The decision of the 'screening committee' shall be final and binding.
- e. Marketing of products will not be permitted from the Incubator. The incubatee shall not use NIPER logo for any purpose whatsoever

## **10. Promoter's Lock-In**

On and from the effective date of this agreement and during the Incubation period, each promoter jointly and severally undertakes that he/she shall not, without the prior written consent of FIRST, transfer to any other Person, all or any part of the shares held by him/her.

## **11. Insurance**

The Incubatee shall maintain insurance in such types and amounts customary for and necessary to protect and insure against the type of risks involved with the type of business operated by the Incubatee, including but not limited to, as applicable, general property and casualty, workers compensation, directors and officers, and product liability insurance. Upon request, the Incubatee shall provide FIRST with a certificate of insurance for all insurance coverage maintained by the Incubatee.

## **12. Separate Agreement for Seed Money Support \ Innovation Grant etc.**

The Incubatee undertakes that FIRST does not guarantee for the Seed Money Support or any grant or debt support to the Incubatee with reference to the different Funding Programs of FIRST and that the Incubatee shall submit its application as per the eligibility criteria of the said programs and the selection of the Incubatee for the funding shall be completely independent, subject to the different eligibility norms of the said Funding programs and the Incubatee, on selection, shall have to execute separate agreement for these programs. However FIRST will update the Incubatee for these funding programs on time to time basis.

## **13. Intellectual Property Rights**

Any Intellectual property rights **[IPRs]** developed by the Incubatee during Incubation period will be the property of the Incubatee only. If such IPRs are created with the involvement of the FIRST through intellectual mentorship then any agreement between the Incubatee and FIRST specifying the sharing rights for the IPRs will prevail. The Incubatee will be required to execute a separate agreement for licensing or assignment of any IPRs, the ownership of which lies with FIRST.

## **14. Liability towards third party**

FIRST cannot be held legally responsible if the incubatee is involved in any litigation with a third party over any legal issue whatsoever, during the incubation period.

#### 15. Indemnification

FIRST shall not accept any responsibility to compensate anyone as a result of any accident or damage (electrical / explosion etc.) taking place at the incubation premises or at any place, either resulting from their activities or otherwise. The victims could be the incubatee or their employees, other persons working in the NIPER-S Campus premises or any visitors to the NIPER-S Campus. Paying any compensation to those who have suffered arising out of such a contingency shall be the sole responsibility of the incubatee. Under the above contingency, it is also the responsibility of the incubatee alone to compensate for any loss caused to the property of the NIPER-S Campus. Furthermore, FIRST shall neither be responsible nor liable for any accident that the Incubatee or his assignees/ representatives might meet within the course of their work within the incubation premises of FIRST or any premises of NIPER-S Campus.

#### 16. Assignment

The Incubatee shall have no right to assign their respective rights hereunder or transfer their respective rights and obligations, in whole or in part, to any third party.

#### 17. Variation

Notwithstanding anything contained hereinabove or in the '**Rules and Regulations for the Incubation Agreement**' annexed thereto, FIRST shall/may amend the terms of this Agreement (or of any of the documents referred to in this Agreement) at such circumstances as it may deem fit and the Incubatee shall be bound by the said amendments. The amendments shall be applicable with immediate effect.

#### 18. Entire Agreement

This Agreement together with any agreement specifically executed pursuant to this Agreement constitutes the whole and only agreement between the Parties relating to the Incubation Services. This Agreement supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, relating thereto.

**19. Applicability of Laws:** This Agreement shall be construed, governed by, interpreted and applied

**20. Settlement of Disputes** Any/all disputes between the Incubatee shall be referred for arbitration to the person so nominated by FIRST under the Indian Arbitration & Conciliation Act whose decision shall be final and binding upon the parties. The place of arbitration shall be SAS Nagar/Chandigarh.

**21. Board Observer:** - FIRST reserves the right to appoint a board observer on the Board of Directors of the Incubatee till the time FIRST holds equity in the Incubatee.

**22. Lien** FIRST shall have lien on the assets of the Incubatee at the incubation centre till such time that the Incubatee clears all the outstanding dues.

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

For & on behalf of (FIRST)	For & on behalf of (The Incubatee)
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**Centre for Pharmaceutical Innovation & Entrepreneurship (CPIE) – NIPER SAS Nagar**

..... Private Limited

**Signature  
Name  
Designation (with seal )  
Date  
Place of signing**

**Signature  
Name  
Designation (with seal of the company)  
Date  
Place of signing**

Witness;-

1. ....
2. ....

Witness;-

1. ....
2. ....



## Schedule 1

### Rules and Regulations for the Incubation

#### **1. Type of Entity, eligible for Incubation**

The Incubatee has to be a Private Limited Company.

To avoid a doubt, it is relevant to mention here that Section 8 Company or One Person Company is not eligible to be incubated at FIRST

#### **2. Membership Eligibility Admission Criteria –**

Residency applications will be considered, keeping in view the following points:

- a) Incubator shall offer spaces to entrepreneurs who have the intention of working on the novel research lead or technological ideas of their own or sourced from any of the NIPERs or any other source, for scaling it up for the commercial purposes, companies registered as MSMEs which could either set up their unit alone or in research partnership with any of the NIPERs or large pharma units which require space to set up their incubation facility for a specific process or product for a limited period.
- b) Faculty, students from research / academic institutes, working in pharmaceuticals, other than NIPER, either alone or supported by some other technology promoting body like, Technology Development Board (TDB), TIFAC, DST, DSIR, TIFR etc. with objective of exploring a novel technological idea or scaling up a laboratory proven concept in pharma and related areas.
- c) Technology based start-up companies related to pharma and allied sectors are encouraged to apply. The product or services should be based on new technologies or technologically innovative concepts.
- d) Technology/R&D unit office of an enterprise, industry association/ an R&D company which desires to have a technology interface with NIPER S.A.S. Nagar.
- e) The entrepreneur is expected to have adequate technical education or business experience to exploit the technology.
- f) The prospective member in CPIE has to prepare and submit a written business plan at the time of application. The plan should provide details about key focus, market analysis, customers, costs, pricing and cash flow forecasts. (Format for the business plan is available online). Shortlisted applicants shall be invited to present their proposal in front of the Screening Committee.
- g) Emphasis of the incubator will be on the R&D intensity so the applicant should clearly indicate in advance the area/s of technology to be addressed and the departments/centers/facilities/laboratories and faculties of NIPER to collaborate with on a regular basis during Incubator residency.
- h) Preference will be given to applicants who have strong technical background and also have plans for long-term collaboration with the departments/centers of NIPER. Ideas generated by students, and faculty members of the Institute will be given priority (subject to clearance by statutory bodies for participation in CPIE as incubatee).
- i) Incubatee has to be an Indian start-up. Persons holding Overseas Citizens of India (OCI), Persons of Indian Origin (PIO) would be considered as Indian citizens.
- j) The shareholding by Indian promoters in the start up should be at least 51 per cent.

### 3. Activities Permitted:

- a) The activities permitted shall be in the pharmaceutical and allied areas and include product development, product innovation, simulation, prototyping, pilot experimentation, web-based training, surveys and similar other technology related work.
- b) No regular or routine manufacturing or commercial supply activities are expected to take place in the incubation premises.
- c) The emphasis is on R&D and technology consultations with the resident faculty experts in the institution and simultaneously helping NIPER students and scholars to get training and motivation for self-employment and entrepreneurship.
- d) Activities carried out at incubator should not have direct conflict of interest with the activities of NIPER. The decision of the 'screening committee' shall be final and binding.
- e) Marketing of products will not be permitted from the Incubator. The incubatee shall not use NIPER logo for any purpose whatsoever

### 4. Proven track record of the promoters and Directors of the Incubatee

- f) The Directors and promoters of the company must not have any default, showing in the data of Credit Information Bureau (India) Limited [**CIBIL**]. Default showing in CIBIL because of some disputes or genuine reasons can be relaxed by the Chief Operating Officer (COO) of FIRST subject to any condition that may be imposed by him.
- g) All the directors, in the board of directors, on the effective date of this agreement must be qualified under Companies Act 2013 or any other relevant Act or Laws of India.
- h) The directors and promoters must not have committed any criminal offence or must not be under any criminal prosecution under any laws of INDIA.

5. **Inspection rights:** -FIRST has the right to inspect and examine the premises allotted to the Incubatee at any point of time during the incubation period/stay at Incubation Premises. On the completion of the Incubation or when the Incubatee leaves FIRST due to any other reason, all the furniture, space and any other facilities provided shall be surrendered to FIRST in good condition. All costs incurred for such restoration to good condition shall be borne by the Incubatee and in case FIRST has to incur any further expenditure to get the equipment or the room back into good condition then the same shall be recovered from the Incubatee and/or its directors or promoters. All dues including that of the accommodation at the RA hostel should be cleared by the Incubatee before it leaves the incubation otherwise, all outstanding dues shall be recovered from the Incubatee or its directors and/or promoters.

### 6. Reporting requirements:-

The Incubatee shall be required to deliver the items mentioned below as part of the Incubation in accordance with the following provisions:-

#### 6.1 Documentation.

The incubatee will be required to submit all the required documents in regards with the company such as a) certificate of incorporation, b) Memorandum of Association (**MOA**) c) Articles of Association (**AOA**) d) Shareholding pattern e) ID and Address proof of the directors and the promoters. The incubatee also agrees to intimate FIRST regarding any alteration in the MOA, AOA and the shareholding pattern as when the alteration is initiated.

#### 6.2 Monthly report

The incubatee is required to submit its monthly report in terms of its financials; revenue generates, gross sales, potential customers/clients approached, foreign collaborations, contracts\MoU entered into, details of the employees, employees hired and fired, assets purchased or disposed of, status of the implementation of the business plan and its strategies, progress on the incubation projects or any other relevant information prescribed by FIRST.

### 6.3 Mid Term Report

The incubatee is required to submit its unaudited/audited financial statement on every six months within 7 days of the subsequent month.

### 6.4 Annual report

The incubatee is required to submit its financial statement and cash flow statement duly audited by the statutory auditors of the company with their Audit report and the report of the Board of Directors, with FIRST by 30<sup>th</sup> September. Incubatee is also required to ensure timely filings of the annual returns and the balance sheet with Income Tax Authorities and The Registrar of Companies within the prescribed time-limit as specified by Income Tax Act and Companies Act.

### 6.5 Participation in the Business review meetings\Diagnostic penal

The Incubatee hereby agrees to participate in the business review meetings, diagnostic penal as and when held by FIRST. FIRST will intimate the Incubatee for these review meetings through a 6 (six) days advance notice, comprising the details and the presentations required to be submitted by the Incubatee. The venue, timings and the mode of attending the meeting (In Person or through Video Conferencing etc.) will be decided by FIRST.

### 6.6 Event based reporting's:-

The Incubatee hereby agrees to keep FIRST informed for following events

- ✓ Change of name of the company
- ✓ Conversion from Private Limited to Public Limited company
- ✓ Listing in any recognised stock exchange of India
- ✓ Any major change in the business plan
- ✓ Changes in the shareholding patten
- ✓ Changes in the board of directors

**7. INVESTMENT BY THIRD PARTIES:** -The Incubatee shall keep FIRST informed in writing every time it proposes to bring in further investment or funds in, either from the existing shareholders or from third party investors at any time after the Effective Date of this agreement and will have to share the Term Sheet\Shareholder's Agreement\ Investment Agreement with FIRST and will have to obtain its approval before entering into the said agreement.

**8.** FIRST will not take any responsibility to provide any valuation certificate to the Incubatee and can only connect the Incubatee with different merchant bankers, certified valuers etc. in this

regard, the consideration and procedure of valuation will be decided by the Incubatee itself only and FIRST will have no role to intervene in settling or negotiating the consideration payable by the Incubatee to these merchant bankers, certified valuers etc.

9. The Incubatee is required to abide by the laws of INDIA and will obtain all the trade licenses, permits and sanctions independently, wherever required, as prescribed under the Indian Laws in order to run the business. FIRST is not responsible to get all these licenses and permits sanctioned from the Government.

#### **10. Exit**

Incubatee companies will leave the incubator under the following circumstances:

1. Completion of stay for thirty six months, unless the stay is extended by CPIE- NIPER.
2. Underperformance or non-viability of the business proposition: criteria for the same will be decided and applied by CPIE-NIPER on the case to case basis.
3. Irresolvable disputes between promoters/ founders. CPIE-NIPER will decide the position or point when disputes are deemed to be irresolvable.
4. When the number of employees of the company exceeds 20.
5. When the company enters in an acquisition, merger or amalgamation deal or reorganisation deal resulting substantially in a change in the profile of the company, its promoters, directors, shareholders, products or business plans, or when a company plans for a public issue.
6. Change in promoters'/ founders' team without concurrence of CPIE-NIPER.
7. Any other reasons which CPIE-NIPER may find it necessary for an incubatee company to leave CPIE-NIPER.
8. Voluntary exit by the incubate subject to clearance of all the dues.

Notwithstanding anything written elsewhere, Director – NIPER's decision in connection with the exit of an incubatee company shall be final and shall not be disputed by any incubatee company.

The successful applicant shall unconditionally agree to vacate the office space for the next Incubator applicant (in the waiting to move in) at the time of completion of the agreed tenure of incubation period irrespective of the fact that any issues are pending between the member and the CPIE.

11. The Incubatee is not authorised to use the logo of either FIRST or NIPER-S unless a written permission is granted by FIRST or NIPER-S in this behalf.
12. The Incubatee is required to abide by the rules and regulations of NIPER-S.
13. The Incubatee shall undertake Research & Development, Design/Testing, prototype development from Incubation premises but shall not carry out warehousing, storage, marketing sales or other commercial routine activity including fund raising in the NIPER-S campus
14. NIPER-S Campus/ Incubation Premises provided by FIRST cannot be used as the address of the Registered Office of the Incubatee.

- 15.** The space given at FIRST complex is without any furniture. The Incubatee is required to submit their lay out plan for any modifications, permanent fixtures etc. which they are planning in the space provided to them. Without the prior approval of the lay out plan from FIRST they cannot undertake such work. After the completion of incubation, the space should be returned in the same condition as it was in the time of taking the occupying the space of FIRST.
- 16.** The Incubatee should observe that noise levels are kept at minimum and, no abnormal noise by any machine or by their employees or visitors should be made. Any complaint of high noise level will result in appropriate action by FIRST.
- 17.** The Incubatee is required to observe health and safety standards. No hazardous material can be brought inside the NIPER-S Campus\complex\Incubation Premises without the prior approval of FIRST. All the incubatee companies are required to keep a first aid kit in the space provided to them.
- 18.** No Incubatee can display notices or signage except in the space or Boards provided for such signage by FIRST.
- 19.** It is the responsibility of the Incubatee and their employees to use the common facilities with due diligence and care.
- 20.** Incubatee is required to keep FIRST informed about any visitor from abroad, foreign collaboration and/or foreign partner or director, and abide by the rules/procedures in vogue in FIRST.

## Schedule 2

### **Facilities and infrastructure to the resident companies subject to the Rules and Regulations and as mentioned in clause 3 of the Agreement.**

- Office space ..... Square feet.
- Phone lines (Intercom)
- Electricity in single phase maximum of 5 KVA.
- Accommodation (One room in Trainee hostel)
- Any other facility requested and granted by NIPER-S.

#### Note

The entrepreneur/industry is expected to make their own arrangements for interior decoration and furniture including air-conditioning, false ceiling etc. as per their specific requirements and have to bear the subsequent cost of repair and maintenance of space provided.

### Schedule 3

**Consideration for infrastructure facilities in addition to other:**

The consideration payable by the company for the use of the incubation centre facilities and infrastructure will be as follows:

<b>Sr. No.</b>	<b>Particulars of the facility</b>	<b>Rates</b>
1	Office Usage Fee	Rs.34/sq.ft/month
2	Accommodation (Guest House)	As per rules
3	Electricity charges including air-conditioning	On actuals per month
4	Telephone charge	On actuals per month
5	Any other facility required by incubate	On actuals per month

## **Annexure 1**

Business Plan of the Incubatee



**Annexure -2**

(Copy of the Board Resolution, certified by the directors of the company)