MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) (Binding in nature) is made on this 7th day of July 2021 at Dubai, United Arab Emirates

BETWEEN

First party : Skyways Air Services Private Limited, having its registered office at A-128/129, Mahipalpur Extension, NH-8, New Delhi- 110037 represented by Mr. Yashpal Sharma, Managing Director

Second Party : Mr. Rajat Chadha, resident of P.O Box, 49582, Dubai, UAE

WHEREAS, First Party is a leading Company in the business of International Freight Forwarding Business and has multiple ventures in the logistics business and interested to spread its wings in the United Arab Emirates (UAE) by setting up a Joint Venture Company with a suitable partner.

WHEREAS, "Second party" is a Business person, settled in the UAE and desirous to become Joint Venture partner with the "First party".

WHEREAS, the parties desire to establish between them a joint venture in order to collaborate in the field of International Freight Forwarding and Logistics

NOW, THEREFORE, in consideration of the foregoing, and of the mutual covenants and commitments set forth herein, the parties hereto agree as follows:

1. Joint Venture % shareholding –
   - Skyways Air Services Private Limited-90%, (SLS)
   - Mr. Rajat Chadha – 10% (RC)
   - Initial capital to be Invested USD 150,000
2. Business plan to be agreed and signed for 3 years as guiding document for the JV. A professional team hired mutually shall drive the business and implementation of strategies as may be approved by both the parties.
3. Area of Operations of JV – Ocean and Air Freight forwarding. JV not to target any business in direct competition to Skyways Group Companies in India or overseas.
4. Business coverage – India and ROW

	Business selling activity done by	Region	Selling party	Handling Party
1	Skyways and JV Joint effort	UAE	JV	SKYWAYS Nominated Agent/Vendor
2	Skyways and JV Joint effort	ROW	JV	Skyways if present in that country, else jointly approved agent/vendor
3	JV	ROW	JV	Skyways if present in that country, else jointly approved agent/vendor

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4	JV	IND	JV	SKYWAYS or its group companies

Freight Procurement :

1) Air Freight : in UAE, BY JV Directly through Carriers or Approved Skyways Agent/Vendor
2) Ocean Freight :
- Direct From Shipping Line or Approved Forin Agent/Vendor
- Consolidator : Only through Forin approved agent/vendor
3) Customs Brokerage: Only through Skyways approved vendor
4) Trucking : Skyways approved trucker
5) Overseas Agent : JV only if through a network / Forin or Skyways network / Board Approved Overseas Agent

In case of any marketing activity for business there is a clash between Skyways selling team and JV, Skyways shall get preference to do the said business.

5. MANAGEMENT OF THE COMPANY
   a. Team to be finalised as per the business plan
   b. Banking operations controls-
      i. Skyways Directors shall be authorised signatories for Bank and all Finance Function shall be managed by Skyways control tower.
      ii. every payment to be approved by Skyways manager
      iii. Online banking access to be with Skyways team
   c. Compliance of all laws to be ensured by Rajat, shall give compliance certificate every month in desired format to Skyways

6. THE BOARD OF DIRECTORS

   a. Total no of Directors 5, Board position- 1 for Rajat and 4 for Skyways
   b. Quorum to be minimum 3 directors Skyways always and Mr Rajat Chadha
   c. Representation / Nomination of Directors- Skyways shall have the right to induct more directors as may be required.
   d. Skyways directors to be nominee Directors not working directors
   e. Suspension or Removal of Directors – The BOD have to recommend removal to Shareholders who shall give final approval for removal of any Director(s).
   f. Rajat to carry designation of 'Director'- It shall be a Non-executive position.
   g. Skyways Directors Not to retire by rotation
   h. No sitting fees to be paid for board meetings
   i. Transfer of shares- Neither party can transfer shares, Skyways to get first offer always at Auditor's determined value. In case Skyways feels the JV is not working the JV can be put off by following the procedure of giving 3 months' notice to Rajat. All liabilities and responsibilities to be settled as per law.
   j. Skyways Directors and Observer- Skyways shall have the right to appoint observers in board meetings or special experts.

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7. Auditors- Skyways to finalise

8. MIS- Rajat to ensure Monthly MIS is given by 15th every month for previous month.

9. ***CONFIDENTIALITY AND EXCLUSIVITY***: Rajat to take NOC from Skyways for any other similar JVs. Skyways can do similar JVs.

10. Quarterly audit - SKYWAYS appointed observer to quarterly audit the books and business process.

11. RIGHT TO EXIT- Both parties have the right to receive the first offer.

12. Dividend declaration : 50% profit of each year shall be distributed as dividend to all shareholders in the respective shareholding ratio. Balance shall be retained in the company to build company reserves.

13. GOVERNING LAW – Indian law and UAE law as may be applicable in a given situation.

14. ARBITRATION – Arbitrators shall be appointed by Skyways and country of choice shall also be with Skyways

15. Cost and Expenses for formation of JV – Pre-incorporation and post incorporation both by JV partners in shareholding ratio

16. REPRESENTATIONS AND WARRANTIES – No further JV by any party in UAE is allowed without consent of each other.

17. INDEMNITY & INSURANCE TO SKYWAYS DIRECTORS – for Frauds, E&O and any violation of any law the Skyways directors shall be exonerated.

18. Memorandum and articles of association

FUNDAMENTAL ISSUES:

Certain matters to be reserved for shareholders only and only with affirmative consent of Skyways:

- Approval of the annual expenditure budget of the Company
- Authorizing expenditures of a capital nature in excess of USD 13500 (in a year or USD 6000 per project.
- The leasing of any of the Company's property
- Commencement of any new line of business
- Issue of shares in or debentures of the Company
- To pay and charge to the capital account of the Company any commission or interest, lawfully payable there out as per the provisions of Companies Act
- Aggregate borrowing in excess of an amount in excess of 25% the paid up capital of the Company Disposal of any fixed assets of the Company in excess of an amount equal to 2.5% of the paid-up capital of the Company
- Appointment and remuneration and terms of service of Directors and senior executives of the Company
- Appointment of the Chairman of the Board of Directors

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- Appointment and removal for the Company's auditors
- Entering into or giving of any warranty by the company except so far as such warranty relates to the performance of a contract by the Company in the ordinary course of business
- Entering into any amalgamations, reconstructions or mergers or the like or any capital transactions or assumptions
- of liabilities involving the Company with other firms or corporation
- Investment of surplus funds of the Company
- Appointment of Business Partners or Agents of the Company's services
- Purchase of real estate

In Witness Whereof, the Parties have caused this Memorandum of Understanding to be duly executed and delivered as of the date first written above.

[First Party]- Skyways Air Services Private Limited

SKYWAYS AIR SERVICES PVT. LTD.

DIRECTOR

Yashpal Sharma, Managing Director

[NAME], [TITLE]

SECOND PARTY

Rajat Chadha

[NAME], [TITLE]

Witness :

1. ROHIT SEHGAL

2. TARUN SHARMA

Date : 07.07.2021