



Government of Karnataka

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Project Euclid

Engagement Letter

24th Nov 2021

For Go Digit General Insurance Limited ("Client")

This Engagement Letter ("Agreement") is made and entered into this 24th day of Nov 2021 ("Effective Date") between:

Redseer Management Consulting Private Limited, a private limited company bearing CIN No. U74900KA2009PTC049748, incorporated and registered under the Companies Act, 1956 and having its registered office at 97, 17th Cross Road, Sector 4, HSR Layout, Bengaluru, Karnataka 560102, (hereinafter referred to as "Service Provider" or "RedSeer");

AND

Go Digit General Insurance Limited, a public limited company incorporated and registered under The Companies Act 2013 and having its registered office at Ananta One ,1 to 6th floor, Opposite Shivaji Nagar bus stand , Babulal Sheikh Path, Narveer Tanaji Wadi, Shivajinagar, Pune, Maharashtra 411005 and corporate office at Atlantis, 95, 4th B Cross Road, Koramangala Industrial Layout, 5th Block, Bengaluru – 560095 (hereinafter referred to as "Client")

The "Service Provider" and the "Client" shall be hereinafter individually referred to as a "Party" and collectively as the "Parties".

1. Context

The Client wishes to engage the Service Provider to prepare an Industry report (the "Report") IPO in connection with a proposed business transaction involving the Client (the "Proposed Business Transaction") and the Service Provider has agreed to provide the same, as per the terms and conditions mentioned under this Agreement.

2. Term

This Agreement shall come into effect on the Effective Date and shall continue in force, unless terminated in accordance with the provisions hereof ("Term").

3. Scope of work

Below sections are proposed to be covered in the scope of this study-

1. India: Macro Attractiveness and Digital Acceleration
2. India: Non-life Insurance Market Overview
3. Role of Insurtech and Digital Channel in Indian Non-Life Insurance
4. Company's competitive positioning

Scope covered under each section above is as below. Our view on client shared scope is noted below in blue.

1. India: Macro Attractiveness and Digital Acceleration

1. Indian Economy: one of the fastest and largest growing economies in the world
 - a. Latest GDP in \$ Bn (Nominal PPP terms), and ranking (third largest?) by GDP (Nominal PPP terms)

- b. Average Historical growth (Real GDP growth for last 5 years, average growth for the last 5 years)
- c. Projected GDP growth for the next [3/5 years, as available, from IMF/ World Bank] and comparison with the next large 7 countries (US, China, etc)
- d. Growth drivers

2. Favorable demographics and other macro-indicators

- a. Demographics:
 - i. Current Median age group of the population, Population in working age group, for India
 - ii. Projection for the above for India (for FY25/30 - as applicable from UN development indicators)
 - iii. Comparison of the above with next large 7 countries (US, China, etc)
- e. Increasing GDP per capita
 - i. India per capita GDP – 5 years ago, now, 5 years hence, and growth
 - ii. Comparison of the growth above with next large 7 countries (US, China, etc)
 - iii. Increase in middle-class (current middle class households – projected 5 years hence)

3. Digital acceleration and potential

- a. Smartphone user base and penetration (last 3 years, current, projected)
- b. Internet users and penetration (last 3 years, current, projected)
 - i. Comparison with other large countries (US, China) – Highlight growth potential
- c. Potential for growth – and drivers – falling data rates, declining smartphone prices
- d. Ease of access to documents (policy, KYC etc)

2. India: Non-life Insurance Market Overview

- 1. Non-Life Insurance Industry – Global market size (annual premiums, latest per source)
 - a. Global trends across products and geographies [focus on top 4-5 countries](#)
 - b. Growth drivers
- 2. India non-life insurance:
 - a. Size (by premium), ranking in the world basis premiums
 - b. Historical growth in premium (over last [5] years) across product categories
 - c. Projected size – premium – 5 years hence [redseer experts + other available estimates](#)
 - d. Drivers for projected growth (eg: increasing income, demographics, increased awareness, etc)
 - i. Improved claims settlement and related processes
 - ii. Reduced TAT
 - iii. Other efficiencies driven by digitalization
 - e. Highly underpenetrated market:
 - i. Non-life insurance penetration in India over 5 years, comparison of current penetration with rest of world
 - ii. Non-life insurance density in India over 5 years, comparison of current insurance density with rest of world
 - f. Market structure – players, premium mix, channel split:
 - i. Types of insurance players in the Indian market – State owned, private owned, standalone health insurers
 - ii. Premium split across major products between public and private over last [5/10] years
 - iii. Historical industry ratios for the last [5] years for each of the categories - state owned players, private, and standalone health insurers. Point here being private sector players typically have better underwriting standards and therefore better loss and combined ratios

- iv. Insurer market share (overall & across major products)
- v. Types of products offered (motor – own damage and third party, health, crop, marine, fire etc. – with a brief description, of the product, and drivers for growth in that segment) [with double click on motor as discussed](#)
- vi. Split of premium across products – and [5] year growth in premiums
- vii. Recent product innovations and emerging products
- viii. Types of channels (brief description) and premium split
- g. Brief summary of the regulations applicable to the industry – including the norms for reserving, solvency ratio

3. Role of Insurtech and Digital Channel in Indian Non-Life Insurance

1. Increasing role of insurtech and innovations (example across product innovation, holistic offerings aiding the emergence of ecosystems, data driven innovation, use of technology)
2. Increasing customer preference for digital channel (basis customer survey, understanding of customer pain points)- [note customer survey to be conducted/used basis SEBI guidelines](#)
3. Impact of covid on increasing digital adoption
4. Global trends to help bring out the potential and receptiveness [here we will benchmark insurtech size and growth in US and China and look at the closest benchmark case studies](#)
5. Key areas of distinction between traditional insurers and insurtech players

4. Company's competitive positioning

1. Elaborating on how the combined approach of offline and digital channels works better for the client in plugging the gaps and onboarding the next set of users
2. Sizing the TAM for the company
 - a. Growth trends for the next 3-5 years
 - b. Growth drivers
3. Company's relative positioning in an evolving market, customer stickiness (may require surveys / secondary research) [note customer survey to be conducted/used basis SEBI guidelines](#)

[Note: The scope covered under the Report shall be inclusive of the requirements of the applicable laws and subject to amendments as may be agreed between the Parties in writing.](#) Service provider understands all regulatory requirements related to an IPO transaction accordingly all deliverables are factors in this scope.

4. Methodology and Timelines

Methodology

- Redseer IP – Across industry and player business metrics, recent consumer research
- Desk research
- Fresh expert interactions on need basis- with empaneled expert in both new age and traditional insurance
- Upto 700 fresh consumer surveys on need basis for validating certain theses

Timelines

- Overall timeline for completion of ppt report+ longform- 4-5 weeks
- Focus on completing the dataset+ ppt in 3 weeks followed by longform (and shortform) support
- Support provided till DRHP and RHP filing on adhoc basis with reasonable number of turns

5. Engagement fee

In respect of the services specified above, the project commercials will be as follows:

Particulars	Amount (INR)
Engagement Fee	56,79,840
GST (@18%)	10,22,371.2
Total	67,02,211.2

6. Invoicing & Payment

Redseer shall invoice the Client as follows:

50% of the Total Engagement Fees on commencement of the engagement ("Advance Invoice") and

50% of the Total Engagement Fees upon submission of the final deliverable for DRHP filing ("Final Invoice")

The Client shall endeavour to identify and highlight any changes on the report during interim reviews to avoid any delay in confirming the final deliverable. However, this shall not prevent the Client providing any feedback and/or suggestions and changes after receiving the final deliverable.

The Client agrees to pay the Advance Invoice within 7 days from its receipt and the Final Invoice within 30 days from its receipt. If the Client fails to pay any undisputed amounts invoiced, an interest shall be levied at the rate of 1% per month.

All payments to the Service Provider under this Agreement will be subject to deduction of taxes, as per the applicable tax laws and accordingly net amount after deduction of tax shall be paid to the Service Provider. The Client shall provide tax deduction certificates as per the applicable laws.

Service Provider confirms that it is a tax resident of India, and its Permanent Account Number is AAECR5087K . The Service Provider agrees and undertakes that it shall take registration under the Goods and Service Tax (GST) Laws as and when it becomes applicable to it. The Service Provider shall ensure compliance to the GST Legislations including inter-alia, registrations, filing of returns etc. and raise proper & compliant invoices so as to enable Client to avail input tax credit, where applicable. In case any credit, refund or other benefit is denied or delayed to the Client due to non-compliance by the Service Provider (such as failure to upload the details on the GSTN (Goods and Service Tax Network) portal, failure to pay GST to the Government etc.) or due to non-furnishing or furnishing of incorrect or incomplete documents or information, the Service Provider shall correct/ rectify such information on the GST portal and even if such rectification fails, the Service Provider shall reimburse to the Client the tax loss. Further, the Service Provider confirm the information provided in Annexure B*

7. Other terms & conditions

7.1. Representations, Warranties and Covenants of the Client

The Client represents, warrants and covenants to RedSeer that:

- i. the person executing this Agreement has been duly authorized to do so by the Client, and all necessary internal actions, approvals which may be required under the Client's organizational documents have been undertaken;
- ii. the execution of this Agreement will not, directly or indirectly, contravene or conflict with or result in violation of any agreement, authorization or other obligation of the Client; and
- iii. it has and shall continue to have all requisite consents, permissions, approvals to disclose any data or information to RedSeer for the provision of services under this Agreement.

7.2. Representations, Warranties and Covenants of the Service Provider:

- i. The Service Provider has taken all necessary action/ corporate action or authorization or approvals as may be required to execute and deliver and to perform its obligations under this Agreement;
- ii. The Service Provider represents, warrants and covenants to Client that the person executing this Agreement has been duly authorized to do so by the Service Provider, and all necessary internal actions, approvals which may be required under the Service Provider's organizational documents have been undertaken;
- iii. The Service Provider represents, warrants and covenants to the Client that the execution of this Agreement will not, directly or indirectly, contravene or conflict with or result in violation of any agreement, authorization or other obligation of the Service Provider.
- iv. The Service Provider represents, warrants and covenants to the Client that it has and shall continue to have all requisite qualifications, expertise, resources, permissions, approvals for the provision of Services under this Agreement.
- v. Service Provider assumes complete responsibility of the quality, durability, standard of the Services, and shall replace or rework on the same on the request of the Client.

1. Confidentiality

Each Party acknowledges that in connection with this Agreement it may receive certain confidential or proprietary technical and business information and materials of the other Party, including, but not

limited to any unpublished report, notes, drawings, writings, specifications, documentations, software, processes, any technical, operational, marketing, customer data, business, financial and commercial information in relation to such Party ("**Confidential Information**").

Each Party, its agents and employees shall hold and maintain in strictest confidence all Confidential Information, shall not disclose Confidential Information to any third party, and shall not use any Confidential Information except as may be necessary to perform its obligations pursuant to this Agreement and as may be required by a court or governmental authority, or by law or regulation. In the event of any disclosure required by a court or governmental authority, or by law or regulation the recipient may disclose the Confidential Information only to the extent that it is compelled to do so by a court or regulatory authority with jurisdiction over the recipient and provided that the recipient gives the disclosing Party, such prior notice as is reasonable in the circumstances of the fact that it is compelled to make such disclosure. Notwithstanding the foregoing, Confidential Information shall not include any information that is in the public domain or becomes publicly known through no fault of the receiving Party or is otherwise properly received from a third party without an obligation of confidentiality. Each party acknowledges that the other party may be regulated by internal compliance regulations, and in order to ensure compliance with which regulations, the relevant party has established policies and procedures relating to confidentiality and retention of documents.

As such each party understands that the other party may retain a copy of any report, recording, presentation, correspondence, meeting note or other document which forms a record of the relevant party's professional involvement, where that record may contain or reflect Confidential Information, subject to keeping such record in strict confidence in accordance with the other terms of this agreement each party undertakes to ensure that such retention shall have been authorised by the relevant parties to this Agreement. All Confidential Information is provided 'AS IS', and Neither Party makes any representation or warranty as to the accuracy or completeness of the Confidential Information. Recipient Party acknowledges that monetary damages would be both incalculable and an insufficient remedy for any breach of this Agreement by recipient Party and that any such breach would cause disclosing Party irreparable harm. Accordingly, recipient Party also agrees that, in the event of any breach or threatened breach of this Agreement, disclosing Party, in addition to any other remedies at law or in equity it may have (none of which remedies shall be mutually exclusive, and all of which remedies may be pursued concurrently and cumulatively), shall be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance.

2. Intellectual Property Rights

"IP" means and refers to patents, trademarks, service marks, trade names, copyrights and applications, licenses and rights with respect to the foregoing, and all trade secrets, including know-how, inventions, designs, processes, works of authorship, manuals, documentation, computer programs and technical data/information.

IP that belonged to (i) RedSeer or its respective licensors, prior to providing Services to the Client; or (ii) the Client, prior to receiving Services, under this Agreement, shall continue to belong to the relevant party ("**Pre- Existing IP**").

Any rights, title and ownership in any deliverables, materials and reports developed for the Client pursuant to the provision of Services by RedSeer ("**Developed IP**") shall be dealt in the following manner:

(I) Subject to sub paragraph (II) below, the Client shall retain any and all right, title and ownership in the Developed IP prepared and delivered by RedSeer or composed in the course of or incidental to the performance of the Service under this Agreement.

(II) To the extent that the Pre- Existing IP of RedSeer is used in the Developed IP, RedSeer, grants a limited, perpetual, irrevocable license to the Client, solely in conjunction with the Services and deliverables as provided for and in accordance with this Agreement.

3. Indemnification

Each Party shall fully indemnify, defend and hold harmless the other Party, from and against any and all third party claims, direct damages, liabilities, and expenses (including any reasonable attorney fees, expenses and costs) incurred by the other Party of whatever kind or nature due to a breach by the breaching Party of any obligation, representation or warranty in this Agreement.

4. Limitation of Liability

In no event shall either Party be liable for any claim for any indirect, punitive, incidental, exemplary, special or consequential damages, for loss of business profits, or damages for loss of business of the other party, or loss or inaccuracy of data of any kind, whether based on contract, tort or any other legal theory, even if one Party has been advised of the possibility of such damages. In no event shall either Party's total liability under this Agreement exceed the total amount of Engagement Fees paid to RedSeer under this Agreement.

5. Termination

This Agreement may be terminated by either Party for any reason upon sixty (60) days' written notice to the other Party. The Service Provider will continue to perform Services during the notice period unless otherwise mutually agreed upon by the Parties in writing. In the event, the Client provides with a notice of termination and directs the Service Provider not to perform the Services through the notice period, the Client agrees to pay the Service Provider an amount equal to the amount normally due to the Service Provider to the extent of services completed and delivered.

This Agreement may be terminated by either Party, immediately, without advance notice, (a) for material breach of this Agreement by the other Party if such other Party has received fifteen (15) days' written notice and has failed to cure the within such period; or (b) if the other Party becomes insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement or if any such proceeding is instituted against the other Party and such proceeding is not dismissed within 90 (ninety) days.

6. Nature of the Relationship

The Client acknowledges that RedSeer will not advise Client or make recommendations related to making any investments or buy publicly listed stocks or selling any investment positions. RedSeer is an independent contractor, and its output is not audited or verified and RedSeer makes no representation that the information or output provided is accurate and complete. This is true for all information provided to the Client including but not limited to competitive intelligence, all estimates and projections about a company or a market, etc. This Agreement does not create a partnership or joint venture, and neither Party is authorized to act as agent or bind the other Party, except as

expressly stated in this Agreement.

7. Use of Deliverables

Unless otherwise agreed to between the Parties in writing, the Client shall be entitled to use the deliverables from RedSeer for the purposes as envisaged under this Agreement, and as required under any applicable law and in compliance with the regulatory requirements which shall include, but is not limited to, the use and/or citation of information, data and statements from the Report, any extract of the Report or the entire Report and amendments thereto by RedSeer, in any marketing materials in connection with the Proposed Business Transaction provided that the Report's contents are used on an as is basis without any modifications.

8. Disclaimers

The Client agrees to include appropriate disclaimers and/or qualifications in the any materials in which information, data or statements from the Report are presented in connection with the Proposed Business Transaction, as provided by RedSeer.

9. Key Contacts and Invoicing information

RedSeer:

Engagement Manager: Mrigank Gutgutia

Email: mrigank@redseerconsulting.com

GST:29AAECR5087K1ZR

Client:

Engagement Manager: Ravi Khetan

Email: Ravi.khetan@godigit.com

General clauses:

- (i) **Execution:** This Agreement may be executed by the Parties either physically or electronically, in accordance with this Clause 10 (i).
- Physical execution: In the event that this Agreement is being executed physically, the Client shall affix its countersignature in the sign off sheet below.
 - Electronic execution: Subject to applicable law, in the event this Agreement is being executed electronically, the Client shall convey its absolute and unqualified acceptance of the terms and conditions set out in this Agreement, in writing, by electronic mail addressed to RedSeer at anil@redseer.com

The acceptance shall be conveyed only by a person duly authorised to do so by the Client, from the designated e-mail address and whose details have been set out as follows:

Name: Ravi Khetan

Designation: CFO

Designated email address: Ravi.khetan@godigit.com

Address: Atlantis, 95, 4th B Cross Road, Koramangala Industrial Layout, 5th Block, Bengaluru – 560095

Telephone: 9867565201

- (ii) **Modification/Waiver:** This Agreement may be modified by the Parties, but any modification of this Agreement must be in writing and executed by both Parties. Failure by either Party to enforce any right or seek to remedy any breach under this Agreement shall not be construed as a waiver of such rights, nor shall a waiver by either Party of default in one or more instances be construed as constituting a continuing waiver or as a waiver of any other breach.
- (iii) **Notices:** All notices to be given hereunder shall be transmitted in writing either by electronic mail with return confirmation of receipt or by certified or registered mail, return receipt requested, and shall be sent to the registered addresses of the Parties, unless notification of change of address is given in writing. Notice shall be effective upon receipt or in the case of email, upon confirmation of receipt.
- (iv) **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of India and the courts located at Bengaluru, India shall have exclusive jurisdiction over any claims arising out of this Agreement.

The Parties hereby acknowledge that the Parties have read and understood the terms of this Agreement and agree to accept and abide by its terms.

If execution of this Agreement is in the physical form, please countersign and return a copy of this signoff sheet to RedSeer. If execution of this Agreement is in the electronic form, please leave this signoff sheet blank.

Signoff

Go Digit General Insurance Limited

Name: Ravi Khetan

Designation: CFO

Signature:

RedSeer Management Consulting Pvt Ltd

Name: Anil Kumar

Designation: CEO

Signature:

ANNEXURE A

CLIENT INVOICING DETAILS

Full Billing Entity Name:	Go Digit General Insurance Ltd.
Billing Entity Address:	Atlantis, 95, 4th B Cross Road, Koramangala Industrial Layout, 5th Block, Bengaluru – 560095
Invoice Shipping Address: (please mention if same as Billing Entity Address)	Same as above
Ownership Status (Individual, Pvt Ltd., Public Ltd., LLP, other)	Public Ltd.
If Public Ltd, are you a listed company?	No
GST number:	29AACCO4128Q1ZW
PAN number:	AACCO4128Q
Invoicing Contact Name:	Ravi Khetan
Email ID(s) to which invoice is to be sent:	1. www.godigit.com/app-login/invoice-upload 2. invoice.procurement@godigit.com
Hard copy of the invoice to be dispatched?	No

Annexure B

Name of Organisation	RedSeer Management Consulting Private Limited
Legal Name as per GST Reg	RedSeer Management Consulting Private Limited
GSTIN (GST Reg No)	29AAECR5087K1ZR
Sales Turnover For FY >100cr<500 Cr, Yes / No	Yes
Sales Turnover For FY >500cr, Yes / No	No
Applicability of E-invoicing applicable, Yes / No	Yes