Kilobeaters Partner Program

Equity-Linked Allocation — India

Document status: Informational summary only

1. What this is

Partners at **Gold** and **Platinum** tiers receive an annual equity-linked allocation in addition to commission and retainer, where applicable. This summary explains how the allocation is calculated, recorded, vested, and paid.

The allocation is **phantom equity**. It provides economic participation in the growth of Kilobeaters without transferring shares. It does not create a shareholding or require the issue or transfer of equity shares.

2. Eligibility

An allocation is recorded for a Partner Year in which the partner maintained Gold or Platinum status for at least six months and was in good standing, with no unresolved breach of the Partner Agreement and no undisclosed commercial conflict.

If the partner maintains Gold or Platinum status for at least six months during the Partner Year, **all attributed client revenue for that entire Partner Year counts toward the allocation**, including revenue attributed during months in which the partner was at Silver. If the partner does not maintain Gold or Platinum status for at least six months during the Partner Year, no allocation is recorded for that year.

India tier thresholds

Tier	Monthly revenue threshold	Equity eligibility
Silver	Up to ₹75,000	Not eligible
Gold	₹75,000 to ₹5,00,000	Eligible if maintained for at least six months in the Partner Year
Platinum	₹5,00,000 and above	Eligible if maintained for at least six months in the Partner Year

The Gold and Platinum revenue thresholds are monthly thresholds. Where a partner qualifies for Gold or Platinum for at least six months in a Partner Year, the allocation calculation uses all attributed client revenue in that Partner Year, subject to the exclusions stated in this summary and the definitive documents.

3. Attribution and the Partner Year

When a client places their first order using a partner’s code, that client is tagged to the partner for twelve months from the date of that first transaction. Every order placed by the client within that window counts toward the partner’s commission, monthly tier assessment, and annual allocation, whether or not the code is used again. Commission is paid at the partner’s tier rate in force when each order is placed. Attribution ends twelve months after the client’s first transaction.

A partner’s allocation year runs for twelve months from the date of the partner’s first referral order that generated commission and renews on that anniversary. Allocations are recorded within 60 days of each anniversary.

4. How the allocation is calculated

At the close of each Partner Year, an eligible partner receives an allocation equal to **10% of the client revenue attributed to them during that year, net of refunds and cancellations**.

That amount is converted into a notional shareholding at the per-share value in force on the date the allocation is recorded. The resulting notional share count is recorded against the partner’s account and displayed in the partner portal to three decimal places.

Once recorded, the notional share count is fixed. Its value thereafter moves with the company’s valuation, subject to the adjustment provisions in the definitive Phantom Equity Agreement.

5. Valuation

The per-share value is the company’s equity valuation divided by its fully diluted share count, including the ESOP pool and any convertible instruments.

The valuation applied is the later of:

Valuation basis	Description
Most recent completed fund raise	The per-share value supported by the latest completed financing round.

Independent valuation report	A valuation report issued by a valuer registered with the Insolvency and Bankruptcy Board of India, where applicable.

The applicable per-share value is determined on the date the allocation is recorded.

Because each allocation is fixed at the valuation in force when recorded, allocations earned earlier in the company’s growth may convert at a lower per-share value and therefore represent more notional shares than the same revenue would generate later.

6. Worked example

The following example is illustrative only and is not a forecast of company valuation or partner earnings.

A partner holds Gold tier throughout their Partner Year, with attributed client orders averaging ₹2,00,000 per month.

Step	Calculation	Result
Attributed client revenue	₹2,00,000 × 12	₹24,00,000
Allocation amount	10% × ₹24,00,000	₹2,40,000
Per-share value in force	Determined on the recording date	[ ]
Notional shares recorded	₹2,40,000 ÷ applicable per-share value	[ ] shares

Commission of ₹4,80,000 at the Gold rate, plus the Gold retainer, is earned separately on the same revenue and paid as it accrues, subject to the applicable Partner Agreement.

7. What partners hold—and do not hold

Partners hold a contractual right to a future cash payment measured by reference to the value of their recorded notional shares.

Partners do **not** own shares in Kilobeaters. There is no shareholding, entry on the register of members, voting right, dividend entitlement, information right, or claim on the company’s assets. Nothing in this allocation dilutes existing shareholders.

8. Vesting and forfeiture

Each annual allocation vests separately on the third anniversary of the date it was recorded.

If a partner terminates the Partner Agreement, allocations that have vested are retained in full and allocations that have not yet vested are forfeited. Because allocations vest individually, a partner may hold a mix of vested and unvested allocations at any time.

If Kilobeaters terminates the partnership **without cause**, all recorded allocations are retained, whether vested or unvested. Termination **for cause** results in forfeiture of all allocations. "Cause" is defined narrowly in the Phantom Equity Agreement and includes fraud, dishonesty or wilful misconduct; misrepresentation or manipulation of attributed revenue; material breach of confidentiality; undisclosed promotion of or commercial interest in a competing product; suspension or revocation of a professional licence; or an uncured material breach of the Partner Agreement.

The definitive agreement contains the governing notice and response process for any proposed termination for cause.

9. When payment happens

Payment is triggered only on a **full Liquidity Event**, being an IPO or strategic acquisition through which both co-founders realise their entire or substantially their entire shareholding in cash or listed securities.

The following do not trigger payment by themselves: a partial exit, secondary sale, funding round, internal restructuring, change of control that does not deliver founder liquidity, or an exit by only one co-founder.

For partners active at the time of the event, payment additionally requires that the partner held Gold or Platinum tier for at least six of the twelve months immediately preceding the event. Partners who have left the program are paid on their vested allocations without reference to that active-partner condition.

On a qualifying event, the partner receives their eligible notional share count multiplied by the per-share price realised in that event. Payment is made from the co-founders' own exit proceeds, subject to the definitive documents and applicable withholding requirements.

If no qualifying Liquidity Event occurs, no payment is made. The allocation has no guaranteed minimum, floor, or interest.

10. Tax

The payment is expected to be treated as income rather than capital gains because the partner does not hold or sell shares. The payment will be taxable at the partner's applicable rate, with tax deducted at source where required by law.

Kilobeaters will confirm the intended tax treatment in writing before any allocation is made. Partners should take independent tax advice.

11. Informational status and document hierarchy

This document is provided for information only and is not an offer, grant instrument, agreement, or acknowledgement of entitlement. It summarises the Kilobeaters Phantom Equity Plan. If the information in this summary differs from the definitive documents, the **Phantom Equity Agreement** and the individual **Award Letter** prevail.

Payment is contingent, may never arise, and is not guaranteed. A partner’s rights, if any, arise only under the definitive documents executed by the relevant parties.