

our partnership approach and terms

*an agreement to create a better world together powered by the
build3 impact accelerator (biA)*

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Kindly note carefully - Please note that this Partnership Approach and Terms document has been built focusing on the ideate phase of the accelerator. And while this document tries to cover the entire duration of the accelerator, a separate agreement will come into existence for companies that make it to the build stage.

1. Our approach? (towards writing this document)

The goal of this document is to align our approach (you as startup founders / potential founders and us as institutional cofounders) for a wide variety of potential outcomes. Our objective is to give you full control of your startup while keeping as much optionality as possible open. This partnership is a long-term commitment that in most cases will last for the lifetime of your startup, so let's both pick wisely!

- *We intend to be straightforward* - we'll be clear about what's in it for us and what we are offering you, along with the why... not just the what.
- *We intend to be fair* - our benchmark for that is to offer you terms that we would be happy signing ourselves (as fellow startup founders who've done this before). Overall, we care more about the principle and intent behind our association than the specific wording of the clauses.
- *Transparent* - we will tell you everything on our mind, even as new information becomes available, there will be no smoke and mirrors.
- *No lawyers should be needed* - we're not trying to confuse you with 'legalese', it will be our attempt to write everything so a typical founder may read and understand everything being proposed. That said, you're fully within your rights to consult a lawyer if you prefer.
- *No pressure tactics* - everybody needs time to prepare, we won't spring something on you and then pressure you to sign. All materials will be shared ahead of time for you to review and receive counsel from your mentors, loved ones, or professional consultants. If you like what you see, we should build this amazing business together. If you don't - "that's cool, we still be friends" :)

2. Who are we and why did we start the build3 impact Accelerator (biA)?

build3 is a [startup studio/venture builder](#) (we function as your institutional cofounder). We are a team of founders, bootstrappers, and makers focused on partnering with founders who want to build impactful, scalable, profitable businesses. Read more about us [here](#).

After three years of running the venture builder and interacting with numerous startups, we learned some important lessons -

1. The early-stage startup business is one about probabilities, so having many shots on goal (i.e. working with lots of startups has a better probability of return than working with a few),

2. If we are to improve our probability of partnering with startups that 'make it!', we need the best data available,
3. Deep engagement with us (the build3 builder team) IS LESS VALUABLE than the combination of, a community of fellow founders, investors and mentors + a semi-structured program + lighter engagement from the build3 team.

Consequently, we switched from a one-startup-at-a-time program (a very deep, but narrow approach), to an accelerator program followed by a traditional venture builder program. This approach allows us to work with many startups, gather lots of high-quality data over 3 months, and create multiple community touch points as well as focus on some key startup fundamentals.

When deciding which founders to partner with (especially at the ideation stage), our primary focus revolves around our belief in the founder's potential for success (skill level and tenacity) and our confidence in our ability and willingness to collaborate effectively with them.

What we look for in our founder partners is -

1. individual capability (leadership, problem solver, decision maker, clear and structured communication, project management, disproportionate resourcefulness, prior proof of performance etc),
2. commitment (preparation for at least a couple of years of risk to try out building a startup properly, passionate about solving the problem vs chasing personal fame/fortune, gave up a fancy job, invested personal or family capital), and
3. compatibility to our program (our money will move the needle for them, willing to come to goa, are sdg and esg aligned/sensitive/willing, are humble and want to learn, want a venture builder vs just an investor)

We believe the evolution of the approach discussed above allows us to best discover and equip the strongest founders, those most ready to build a startup!

Our values - We want to work with folks with whom we share similar values. Here is us sharing ours (shared in [Appendix 3](#) below); we would request that you read through and state if you have similar beliefs.

3. What do we want?

- **Spiritually**
 - To do justice to the role of a cofounder in your startup

- To truly help make your startup better, together
- To impact the world in a positive way
- To be part of something amazing
- To learn and have fun on our joint journey
- **Financially**
 - To make enough to be able to pay our team, to pay for the shared resources we invest in (the space, tech platforms, etc), and invest in a steadily growing number of startups every year accounting for inflation.
 - To give our investors a fair risk-adjusted rate of return. To do so competitively, we need to offer a 15% IRR (internal rate of return or the expected compound annual rate of return that will be earned on the money we provide to you).
 - To achieve a 15% IRR on our portfolio, we need an IRR of at least 25% from our successful companies. As we're likely to make 0% from our unsuccessful ones. Assuming optimistically, a 60-40 ratio of successful to unsuccessful startups, our portfolio will yield a weighted average return of 15%.
 - To receive a fair share in a 'bumper' outcome, e.g. if you are to receive a very high valuation and there is an opportunity to get a secondary exit, or you get acquired or get listed on the stock markets. We will feel loved and proud at the same time.

4. How do we propose to work with you?

- **Spiritually**
 - Let's build stuff that's meaningful and moves the needle
 - Let's learn new skills
 - Let's make new friends
 - Let's do it with a smile and hard work, **EVERY---SINGLE---DAY.**
- **Conscientiously** -
 - Let's build ethically, let's treat all stakeholders with respect, dignity and financial fairness (employees, vendors, clients, as well as investors).

- Let's ensure we leave the planet better than how we found it, let's build our operational practices and policies around that.
- Let's share control, AND wealth, with many who deserve it and not just accumulate in the hands of a few or those who may be disconnected from our mission.
- *tl;dr if you know the lingo, let's build with a deep focus on [ESG](#) (environmental, social, and corporate governance), towards or more of the UN's 17 [SDGs](#) (sustainable development goals).*

- **Financially**

Let's make enough so we can continue to deliver our product or service excellently, let's be fair to the planet and our people (employees, vendors, clients or investors) in order to get there.

- **With excellence**

Let's delight our customers with well-thought-out services/products and have them raving about us because we pride ourselves in providing the best service they have ever experienced.

5. What do we bring to the table?

We will be the sherpa in your entrepreneurial journey! just like tenzing norgay accompanied edmund hillary to summit mount everest, we hope to be an experienced guide as you scale the entrepreneurial mountain.

We will help you plan the climb, set up camp, pull the right team, distribute the load evenly, prepare for contingency and help scale the peak. we'll keep piping hot tea ready at all times and dance when you plant the flag.

But just like a sherpa, **we'll be mindful of your pace and need for space.** we strongly believe that you know your startup idea best. this is why we are your supporting cast, and you'll always be the lead. we'll be the best damn robin to your batman—be it connecting you to a mentor, finding you vendors or even making you a cup of coffee. **we'll offer support and advice that**

stems from personal experience. that said, our advice will always be a suggestion, not a mandate. it really is up to you to take it or leave it.

We are passionate about building your startup with you, and we know that to do justice to this claim we need to limit our engagement to a handful of startups. We are NOT investors, so don't bucket us as such, we bring substantially more to the table than just cash. We come in much earlier than others, taking risks akin to cofounders rather than investors. Here is what we offer to you -

- **Capability**

- Execution support - A team of experienced people available for a few hours every week on your request that is committed to the success of your business and works with you on your projects and systems. These could be building products, building teams, building the brand, figuring out the best channels for distribution, raising more capital if required, helping with accounting and compliances, building systems for goal setting and execution tracking, setting up internal tech systems, and more; you get the gist. To be clear - the team will help you build the foundation of your startup, not run it!
- Frameworks and workshops - Having been through this journey before, there are some tried and tested systems, as well as pieces of sage advice that we have curated. Imagine us running a vision and values workshop for your team based on a framework created by Jim Collins - author of Good to Great. Abhimanyu's how to evaluate your startup idea, or Rajat's finding your why? are some other examples.
- POC (point of contact) for startups that make it into the build stage - a dedicated build3 team member who engages with you to understand your needs and coordinate resources to ensure you get the most out of our partnership. Remember you are still the Founder, and while all of build3's resources are available to you, it is your leadership that will result in effective productivity (please don't expect the POC to lead in place of you).

- **Community**

- Community - meet and mingle with other founders as well as attend knowledge building, wellness, and networking sessions that we organize. Serendipity is the number 1 ingredient in the search for a cofounder.

- Mentors - access to a network of in-house functional experts (product, sales, brand and marketing, finance, HR, operations), an external network of sectoral experts, and finally folks (both internal and external) who have climbed and conquered the startup mountain before!
- Curated enablers/vendors - Finding the right partners in our journey is tough, people that believe in the same things, people that are good, and people that don't cost a bomb are hard to find, luckily we've done much of this work for you, saving you time and frustration.
- **Resources**
 - Space - a beautiful, fully managed, plug-and-play workspace which is one with nature and has working desks, meeting rooms, spaces for rejuvenation as well as chilling; it is available to you to house up to 5 members of your team. The above number is guaranteed at zero cost until you graduate from the program, if more space is required it may be provisioned based on availability and cost at the time of need.
 - Money - we will contribute up to INR 25 lakhs (in the build stage) into selective businesses based on a financial model and other documents we develop mutually.
 - More money (from outside) - Through demo day, additional capital may become available through syndication with other angel investors or through micro VCs/angel funds that we are well connected with, however, this will be on a best-effort basis. Our connections will speed up and improve the chances of funding but we are not able to guarantee it (unless your startup is building a mind control device :p).

6. What does our shared journey look like

This is where the 6-month-long build3 impact Accelerator (biA) comes into play. We shortlist amazing startup founders / potential founders like you to come and spend time with build3 where you are supported by a guided program power-packed with knowledge resources, periodic workshops, events, and check-ins, direct access to some of the industry's best mentors, and investments across every stage of the startup journey. The build3 impact Accelerator (biA) journey is in three stages -

1. Stage 1: Ideate, 3.0 months - this part of the program is designed to help you find your partners in crime and finetune your ideas. By the end of the ideation stage, you should have:

- a) find the people that you want to work with.
 - b) an idea that your team is stoked to build, one that is scalable and you have [founder-product fit](#) with.
 - c) a strong business plan and financial model that inspires confidence in investors.
- For being a part of biA and for having the opportunity to find a cofounder, build3 shall collect a certain minimum equity in the startup. The mechanics of how this will work is detailed below in the section titled "[What is our financial framework?](#)".
2. Stage 2: Demo Day, 1 day - in this stage, you will meet purpose and sector-aligned investors and vendors, rapidly closing the pre-seed funding round. In some select startups, we make investments of INR 25 lakhs per startup (at a post-money valuation of INR 5 Crores on the fully diluted cap table) via the demo day using a convertible note.
 3. Stage 3: Build, 3.0 months (can go upto 9 months) - here is where you race to achieve the coveted product-market fit status with your team. This stage has a more custom one-on-one approach, like a venture builder/startup studio vs a typical accelerator. By the end of the build stage, you should have:
 - a) a vto (covers - vision, values, bhag, brand/customer persona, unique value proposition, quarterly goals),
 - b) a rhythm on how to run your company + management information systems (mis/scorecard),
 - c) a product that is validated by the market and ready to scale.
 - d) a clear path to profitability

In total, the build3 impact Accelerator (biA) is a 6-month-long journey from ideation to positioning for scale.

7. How our shared journey may evolve

As with most things, there's basically two ways this partnership may go, we succeed, or we give it our best and don't quite make it this time. We've described how we think both scenarios play out below -

1. We hit a S-I-X/or a F-O-U-R (build3 AND you) via two models for success:
 - A profitable, modest growth startup (a F-O-U-R, the Dravid way) - We build an amazing startup together that is profitable, has reasonable margins, is growing at reasonable rates, and doesn't require heaps of capital. Such a startup will continue to grow but is unlikely to attract institutional investors as the growth

rates or addressable market size aren't at the levels that such investors expect. In such a case, the best way to help build3 achieve its financial goals would be to initiate an IRR-based cash return of 25% on the money we contribute, the timing shall be based on the capability of the startup.

- High-growth, high-value startup (a S-I-X, the Dhoni way) - Together, we build a startup that's growing really fast, needs lots of capital to keep up with demand, has good unit economics or an undiscovered monetization model at this time, consequently overall startup profitability might take 5+ years, in spite of a clear path to profitability even in the early days of startup journey. For such startups, there will be an inability to pay out any cash, and in such cases, build3's investments into the company will convert into equity via the convertible note (which have an equity cap and discount). We will work together to attract additional capital to fuel growth via the final stage of the accelerator, 'Investothon' and potentially seek to sell some of our shares depending on the timelines and value. (This is to achieve our financial sustainability goals and does not speak to the love or loyalty we have towards you or the startup. We have pride in what we are building together and want to be a part of the full operational and financial journey as far as possible. Our intention will be to hold as much equity for as long as we can!)

2. What if we fail (despite our combined best efforts)?

- We anticipate about 8-12 teams will be formed in the ideate stage (first 3 months of the accelerator) of which build3 shall, at its sole discretion, invest in about 5 teams an amount of INR 25 lakhs to prove product-market-fit (enter build stage)
- During the build stage, build3 will work with the startup actively and help it achieve two objectives - a) product-market-fit (the definition of which shall be decided by build3 and the startup founder mutually) and b) a clear path to profitability. The startups will get about 3 months of time to successfully meet these two outcomes.
- There is a reasonable chance that 3 months shall not suffice to prove the above-stated 2 outcomes. In that case, build3 and the startup founders shall mutually agree on what the revised timelines shall look like.
- If for some reason, the above targets are not met (irrespective of the revised timeline or any other reasons whatsoever), then we should wrap up the startup, gracefully and professionally. Let's plan to do it in a way where we retain our friendships and don't burn bridges. Let's do it in a manner such that we don't

leave open ends with any stakeholders, clients, employees, vendors, the government, or investors. In case there is a legal liability on the startup, we will expect you to handle it professionally and as the leader of the startup take responsibility for the startup's actions.

- Pivot/upcycle, if you and some/all folks in your team have the juice to go at it again and have a great idea that we're mutually excited about; means permitting we're happy to ride that roller coaster again! If only some of the folks are keen, in that case, we'll support the folks that want to move on to obtain other opportunities, rebuild a new core team around a new idea, and get to work hoping that this time's a charm.
- In all cases, we will have to adhere to certain timelines and financial constraints, given we will have some limiting constraints on that front.

8. What is our financial framework?

- For the real juice (stuff that money can't buy! i.e. equity) - As previously stated, in the ideation stage, build3 is offering two things - a) be a part of the accelerator and gain vital knowledge along with a network of cofounders, mentors, investors, vendors to add to your rolodex for you to use in this startup and beyond b) the opportunity to find a cofounder from a group of highly vetted individuals. **For each of these activities, build3 shall collect 1.5% (total - 3%) of startup equity in any future company formed in the cohort.** This shall come into effect by the means of an I Owe You Agreement covered in [Appendix 1](#). Please note that, this equity shall be anti-dilutive for at least one round of investment (i.e. after the company is formed, build3 first gets the 1.5%/3% equity followed by the investment equity which shall be anti-dilutive to the 1.5% or 3% equity held by build3 as a virtue of founders being part of biA. build3 makes investments via a convertible note which is a debt first (if you hit a F-O-U-R, the Dravid way) however convertible to equity (if you hit a S-I-X, the Dhoni way).
- For money (also kinda important) - For companies that advance to the build stage, we shall use convertible notes to make investments into the companies. For companies moving into the build stage, build3 shall invest up to INR 25 lakhs for up to 5% of additional startup equity. The convertible note designed by build3 for investments into the startups is inspired by the [Calm Fund's Shared Earnings Agreement](#) which provides the flexibility to the founders to repay back the investment at a 25% IRR, subject to some trigger events.

- Please also note that the instrument of investment, 'convertible note' is indicative in nature and shall change based on several external factors like market conditions, regulatory requirements, change in the nature of funding required by the startup etc.

Appendix 1 - What are you signing up for in the ideation stage?

I OWE YOU AGREEMENT

I, _____ S/o _____ aged about _____ years with AADHAR NO _____ and Phone No. _____ resident of _____ (Borrower) hereby acknowledge and confirm to build3, company registered as Birudo3 Private Limited, 201, Shanta building, near Calculo circle, 18th June Road, Santa Inez, Panaji, Panim, North Goa, Goa – 403001 with PAN: AAJCB1015E and GSTIN: 30AAJCB1015E1ZK (Lender), that I am indebted to a certain percentage of equity from the startup formed or founded by me from the start date of 15th April 2024 and before the expiration of 14th April 2026.

IMPORTANT TERMINOLOGY USED IN THIS AGREEMENT WITH THEIR MEANING INTENDED:

Borrower: Herein the build3 impact accelerator (biA) cohort -2 program participant/candidate, _____ also referred to as “I”, “me”, and “my”

Lender: Herein the venture builder company – build3 registered as Birudo3 Private Limited

Equity-Debt:

- 1) Mandatory 1.5% of equity share in _____’s startup company for the mentorship received through build3 impact accelerator (biA) cohort -2 program
- 2) An additional 1.5% of equity share in _____’s startup company built with:
 - A) Any of the co-participant¹ (also known as co-founder) from the build3 impact accelerator (biA) cohort -2 or subsequent cohorts of build3 impact Accelerator,
 - B) Out of any ideas² (formed, built, shaped, and developed) during the course of build3 impact accelerator (biA) cohort -2 or subsequent cohorts of build3 impact Accelerator,

THE AGREEMENT WITNESSETH AS FOLLOWS:

Whereas, I acknowledge and agree that I incurred the said 1.5% of equity share-debt by participating in the build3 impact accelerator (biA) cohort -2 program and receiving mentorship³ to build Ideas that can be converted into a startup.

Whereas, I acknowledge and agree that the build3 impact accelerator (biA) cohort -2's six-month program is divided into 1) build phase for 3 months, 2) create phase for 3 months, and, 3) a day long demo day and scale phase post that.

Whereas, I acknowledge and agree that the ideate phase⁴, which is the first stage in the biA cohort-2 program, is to network and connect with fellow participants, brainstorm a startup idea around a social problem, find a solution to it, plan, outline and conceptualize a business model around it, while attempting to resolve the identified problem in alignment with the UN Sustainable Development Goals.

Whereas, I acknowledge and agree that the build3 impact accelerator (biA) cohort -2 program starts on 15th April 2024 and the mentorship commences from day 1 into the program and thus the 1.5 % of equity share-debt will be incurred on me from 15th April 2024.

Whereas, I acknowledge and agree that tentatively around 3 weeks into the build3 impact accelerator (biA) cohort -2 program i.e 06 May 2024 onwards prospective teams⁵ will be formed and potential co-founders may be met and thus the additional 1.5% of equity share - debt will be incurred on me constituting the discovery of the co-founder. This shall be accounted for from the start day of the program itself, i.e. 15th April 2024.

Whereas, I acknowledge and agree to the possibility of working on ideas with not just co-founders in fellow participants but also with other connections⁶ made through and in build3.

Whereas, I acknowledge and agree that I will solely be responsible for making sure that my startup company or companies (a company formed or founded or co-founded by me) which is registered post 15th April 2024 (or, in some exceptional cases, already registered before the program) pay 1.5% equity towards the mentorship support received, gained and accepted in all and any forms from build3 impact accelerator (biA).

Whereas, I acknowledge and agree that I will solely be responsible for making sure that my startup company or companies (a company formed or founded or co-founded by me) which is registered post 15th April 2024 (or, in some exceptional cases, already registered before the program) pay an additional 1.5% equity on top of 1.5% equity paying in favor of mentorship support, if the company is formed or founded or co-founded with a fellow participant or any connection I made in build3 community during the build3 impact accelerator (biA).

Whereas, I acknowledge, promise and agree to pay 1.5% or 3% equity debt whichever is liable on me from all and any company formed in all and any nature which is lawful and recognized under the Companies Act, 2013 by using all or any of the contacts, resources, networks, connections, acquaintances, associates, allies, agents, mentors, guides, sponsors and all other internal or external support falling under build3 community.

Whereas, I acknowledge and agree that the above-stated doctrine to share the equity from the startup company formed or founded or co-founded by me starts with the start of the build3 impact accelerator (biA) cohort -2 program on 15th April 2024 and is time-bound with a 24 months cap that expires on 14th April 2026.

Whereas, I acknowledge and agree that the debt is naturally waived off after 24 months cap from 15th April 2024 and the venture building company herein i.e build3 (lender) cannot hold me or the company formed or founded or co-founded by me liable and responsible for the debt incurred on me via build3 impact accelerator (biA) cohort -2 program and do not have any rights in whatsoever manner in any of the company or companies founded or co-founded by me on a later date.

Whereas, I acknowledge that I am willing to volunteer in any way that is possible by me out of the goodness of my heart and contribute as a valuable resource to the venture building company herein lender i.e. build3 on a future date solely at my own discretion.

Whereas, I also agree and acknowledge that I have no defense should the lender i.e. the venture building company - build3, use this document in the court of law under legally permissible jurisdiction as a confession of judgment on my part.

Whereas, I acknowledge and agree with any frustrations in contract and non-performance, first, an alternate dispute resolution medium is approached before knocking on the doors of the jurisdictional civil court.

IN WITNESS WHEREOF, the parties herein have affixed their respective signatures to this I Owe You (IOU) Agreement for on the day, month & year first above written at GOA before the Witnesses.

Borrower

Mr. Abhimanyu Dinesh Rathi
Director, Birudo3 Private Limited
(Authorized Signatory on behalf of Lender Company)

Enclosed with the Appendix, PAN card for signature verification, and any other additional documents

Sub-Appendix:

1 – Co-participant: means every other participant in the build3 impact accelerator cohort-1 including interim, stand-in, non-permanent, transitory or fleeting participants from other build3 programs and activities, mentor companions, guest speakers and partners attending and/or contributing to the program either online or in-person at any given point of time in the cohort-1.

2 – Ideas: means any notions, thoughts, plans, conceptions, and/or suggestions which can be legally enforceable solution/s to a social problem that may be further built and developed as a business or startup in any form.

3 – Mentorship: means either guidance, advice, counselling, recommendations and consultations provided by any of the functional or sectoral experts and/or startup founders invited for the build3 impact accelerator cohort program.

4 – ideate phase: means 3.0 months period starting from 15th April 2024 to 15 July 2026 designed to discuss, debate and synergize with like-minded entrepreneurs to fine-tune ideas and help find co-founders to work, develop and build ideas.

5 – Teams: means any intern, contractor, associate, employee, and/or co-founder of build3 or build3 partnered startup companies active during the build3 impact accelerator cohort program.

6 – Connections: means any contact, referral, advisor, investor, and/or coach implied and suggested by any of the team members or the mentors in favour of the ideas developed in the cohort and startups/businesses shaped or constituted through it.

Appendix 2 - FAQs

Q1. What is the goal of this document?

The goal of this document is to align the approach of startup founders and institutional cofounders in various potential outcomes, providing founders with control and optionality.

Q2. What values are important in this partnership?

Values such as transparency, fairness, and straightforwardness are emphasized in this partnership. Both parties are encouraged to share similar values.

Q3. How long is the build3 impact Accelerator (biA) program?

The biA program is a 6-month-long journey, divided into three stages: ideate, demo day and build stage.

Q4. What support does build3 provide during the Ideate stage?

During the Ideate stage, build3 offers startup founders a guided program, mentorship, access to a network of experts, and access to our community of impact founders.

Q5. What happens during the build stage?

In the build stage, startups aim to achieve product-market fit, and build3 provides support, resources, and mentorship. Investments may also be made during this stage.

Q6. How does build3 contribute financially to startups in the build stage?

build3 can invest up to INR 25 lakhs in startups for up to 5% of equity using convertible notes.

Q7. What happens if the startup doesn't meet its targets despite best efforts?

In such cases, a graceful and professional wrap-up of the startup is discussed. Pivoting or upcycling may also be options, depending on the team's interest and ideas.

Q8. What is the financial framework for the Ideation stage?

In the Ideation stage, build3 collects 1.5% of equity for mentorship and an additional 1.5% if the startup is formed with a co-founder from the biA program. These percentages come into effect through an I Owe You Agreement.

Q9. What is the purpose of the I Owe You Agreement in the Ideation stage?

The I Owe You Agreement establishes the equity debt that startup founders owe to build3 for mentorship and co-founding through the biA program.

Q10. How long is the equity debt in the Ideation stage in effect?

The 'equity debt' as stated in the I Owe You agreement is in effect from the start of the biA program (April 15, 2024) and is time-bound (2 years), expiring on April 14, 2026 i.e. in a situation where your startup is either not selected by build3 to get into the build stage or you decide not to take investments from build3 in the build stage but still go on to build a startup company on or before April 14, 2026 and decide to continue seeking support from build3 in any form whatsoever and/or end up working with a cofounder from within this or any subsequent cohorts of build3 impact Accelerator (biA), then build3 shall, by the virtue of this agreement receive 1.5% to 3% equity in any future company so formed (or in some cases, already formed companies).

To be clear, any form of direct or indirect support from build3, irrespective of the frequency of support, shall be deemed as 'mentorship' for the purpose of the I Owe You Agreement. Also, finding cofounders shall not be restricted to just this cohort of build3 impact Accelerator but subsequent cohorts also.

Q11. Do I need to incorporate a company before signing this agreement?

No, you don't need to incorporate a company to sign this agreement. Company incorporation is required if you make it to the next stage i.e. build stage.

Q12. How and when is the money transferred to you, once the startup is selected into the build stage?

Once the startup is selected into the build stage, in most cases, we will transfer the money in one single tranche upon signing the agreement.

Q13. Can I pay back the money by raising debt?

Venture debt, the only kind available to companies that have not demonstrated profitability for 3 years, is usually available at an interest rate of 16-18%, collateral based loans are available for a couple of percentage points lower (eg. loan against your home/mortgage), both have to be

repaid with interest at regular intervals. build3 is contributing money via an equity route where you have no obligation to repay the money at regular intervals and you do not have the risk of losing any collateral. Paying us back through raising debt, if at all even feasible, will reduce build3's equity holding in your business but will lead to reduced profits and/or insolvency for your business since you will be paying off the debt at regular intervals. Startups are equity-rich and cash-poor, the preferred currency for initial dealings should be equity until cash reserves build up.

Q14. How do I decide how much money to ask for?

We suggest you create a bottoms-up [financial model](#) and draw out your business plan through a [6-pager document](#) to arrive at a number, remember to add a 10-20% buffer to cover for unplanned scenarios. It will be wise to request a realistic amount of money for two reasons, (i) to avoid paying 25% IRR on it, and (ii) to keep more of your equity with yourselves to be used for other scenarios. More on this will be covered and discussed in the second half of the ideate stage.

Q15. How does build3 assist startups in raising more capital?

Through the demo day, build3 helps startups connect with potential investors and vendors, although there are no guarantees of funding. Additional capital may become available through syndication with angel investors, VCs, or PEs.

Q16. What happens if a startup fails to achieve its goals in the build stage?

In the event of not achieving set outcomes, the startup and build3 will mutually agree on revised timelines. If targets are still not met, a professional and graceful wrap-up of the startup is planned.

Q17. Why is the equity-debt incurred during the ideation stage anti-dilutive for at least one round of investment?

As the company formation will only happen once you enter the build stage, the sum total of equity in the ideation phase + create phase will be held by build3, directly in the new company that shall be formed (or in rare cases, in the companies that are already formed)

Q18. What about lodging and boarding?

Selected participants are requested to live together in our beautifully designed [cohub spaces](#). By living together, participants get more time to spend with one another, understand the core values and passions that drive them and increase the likelihood of finding a co-founder/founding team member (serendipity works in many ways!). Nutritious vegetarian meals (breakfast, lunch and dinner) are available at the build3 villa. The costs of cohub stay + meals come to about ~ 33.5k per month per person and need to be paid upfront for the ideation stage i.e. first 3 months of the accelerator.

Q19. What about financial aid?

If you are reading this document, you have already received an email about financial aid and how to apply for the same. We offer limited purely needs-based scholarships to cover the above-mentioned lodging and boarding expenses. The fact that you have applied for scholarships has nothing to do with your selection process or your experience during the cohort.

More questions? Please feel free to email us at studio@build3.org.

This signee (both borrower and lender) of the I Owe You Agreement in Appendix 1 do hereby acknowledge that they have gone through this entire Partnership Approach and Terms document very thoroughly and promise to abide by it in nature and spirit.

Appendix 3 - Values

Our Values

How we plan -

- **Consider all stakeholders (team members, partners, founders, investors etc.):**
 - Think from a 360 degree perspective. Think about all stakeholders and their needs, collect data where applicable and possible; Be a design thinker.
- **Logic and data back the best ideas:**
 - Data and Logic - these two checkpoints make an idea from being good to the best. It's our responsibility to bring our A-game to discussions that we are a part of. We must argue our point with passion, data and logic. Disagreements are good. They lead to discussion, new ideas, better solutions. Disagreements can also lead to personal learning and growth. We must be open to other people's potentially superior ideas and that's how we will truly deliver world class outcomes AND achieve the best version of ourselves (ref: ray dalio's principles for life and work)
- **Goal vs task thinking:**
 - Understand the big picture (goal) and then create a series of tasks to achieve the goal. Don't get caught up in the tasks, only to realize later that they are not helping you achieve your goals. Always ask yourself before undertaking any major new activity, "what's the goal of this activity?" and you will find that your tasks will automatically get aligned
- **Sense and evolve:**
 - The purpose of our organization is dynamic; it will change through the keen senses of each and every one of us. It is each of ours' responsibility to voice our thoughts and drive change to steer us in the best direction.
- **With ethics and Integrity:**
 - We are bound to operate from a foundation of integrity and ethical conduct, respecting our fellow beings through our employees, business partners, suppliers and customers. We don't encourage practices that are abusive, corrupt, or anti-competition.

- **Distribute everything - especially authority + wealth:**
 - Wherever possible we will distribute ownership to maximize alignment as well as distribution of value creation (and consequently contribute to reducing the wealth divide). (Read: Employee owned companies and cooperatives, e.g. John Lewis partnership. Manusra cooperative coffee).

How we work -

- **Through diligent documentation:**
 - Write everything down, literally. Verbal conversations leave a lot of ambiguity, and just plain forgetfulness which leads to inefficiency. Written communication helps with audits, recall, clarity, and is just good professionalism. DO IT!
- **By being an owner, with focus and planning:**
 - Create your own projects, resource them by pitching them to your peers, plan them well with 6 pagers, work collaboratively through meetings and documentation, and deliver world class outputs, matched to the initial goals and quality checked by your peers and clients. These are not tasks, these are meaty projects (also called goals or rocks) something that moved the needle and it only happened due to your leadership.
 - Practice true single threading one proactive activity at a time! High leverage activities like projects should be planned well to be effective, the time spent in planning pays back many times over - use 6 pagers.

(Refer to Working Backwards, a book about amazon's ways of working, and also The One Thing)

- **By outsourcing everything non core:**
 - Outsource almost everything, retain only our special sauce or where external vendors are not world class/culturally aligned (it is our responsibility to find the best partner possible for each area where we control strategy, KPIs and accountability)
- **With alignment of purpose and values:**
 - Join for common cause (our stakeholders will have alignment of purpose and values prioritized vs presence of all required skills, 'wants to do it' vs 'can do it' - ideally both!). In teal terms we will ensure Fit for purpose and Fit for organization in all partners, team members, and clients we join hands with.
- **Through collaboration and with learning:**
 - Almost everything is better together, lean on your peers, lean on friends, lean on professionals outside the organization to improve your understanding and approach. You will need humility, to do so well. You will crush it if you do it with sincerity. Don't think of the world in purely transactional terms or in win-lose terms, share freely and ask freely, good stuff happens to those that do.

- Use the advice process for everything, find subject matter experts AND people impacted by your projects, and ask them what would improve your work from their perspective and ONLY then make decisions.
- **Be passionate about creating world class outcomes for your customers (Output is a muscle, flex it gloriously!!):**
 - Always be shipping, create frequent output. Don't talk about creating output or worse - procrastinate, if you do - you have no place here. A wise man once said - the quantity of input doesn't matter, the quality of output does.
 - We are responsible for raising the consumer's awareness of their rights through education, appropriate and helpful marketing communication, and product labeling (where appropriate).
- **Think from a first principle perspective:**
 - Don't just bring your old ideas and replicate them here. Challenge yourself to think of the best new ideas based on your experience, be innovative, be creative, explore (it's not ok to say, this is how it always happens or happens at XYZ, make the argument of why this method/approach is best for us, now).
 - The power of why: Be straightforward. Explain your reasons to your colleagues, to your customers, to anybody that asks :) It's your job (hat tip to simon sinek)
- **Focus during meetings:**
 - People have important things to say, let's not disrespect them and keep our phones and gadgets away during meetings (yes even remote ones!)
- **Tech is your friend, hug it out:**
 - Use tech to improve the customer experience, and internal operations efficiency from day 1 (data and consistency improves outcomes for all stakeholders). Tech is not a magic bullet in and of itself, if you have a stated objective and passion to achieve it, tech will enable you to do it faster, more often, and with more consistency.
- **Self manage, do amazing:**
 - While there will be high levels of freedom to choose what you do and how you go about it, you will also be held accountable. Some even find this disorienting. We trust you, you should trust yourself, and fully commit yourself to doing amazing work... you don't need a manager to tell you what to do (you're expected to manage yourself).

- Open yourself, take in what's going on around you, and pursue what feels like it will create the best darn value for our mission and its stakeholders (keeping in mind your personal super powers! If you're the Flash, don't try to destroy buildings, leave that to the Hulk - oh sh!t, did I just crossover from dc to marvel?! Hey, it felt right :p)
(*Read: teal management, reinventing organizations, holacracy*)
- **Be conscientious towards our team and founders:**
 - People are the lifeblood of our organization and this world, let's treat each other warmly and fairly.
 - Channel our inner Sherpa nature when helping founders or when working with colleagues. Support by citing examples from our experience, versus prescribing solutions we may only half know or have read somewhere.
- **Be conscientious towards our goal:**
 - Purpose AND Profit (not OR): In the long run, there are no trade-offs between purpose and profits. If we focus on purpose, profits will follow.
 - Innovate and invest in products, technologies and processes that promote the wellbeing of society, of the environment, and our organization. This must be a continuous cycle, which leads to layer upon layer of improvement.

How we behave -

- **Relationships and conflict - be loving not warring ♥**
 - While it is possible to change other people, it is not our place to do so. We must look inwards and take responsibility to change ourselves. We take ownership of our thoughts, beliefs, words and actions. We don't spread rumors. We don't talk behind someone's back. We don't blame people for our problems.
- **Be empathetic, be a teacher:**
 - Truly care for and support your team in their learning journey and their day to day execution. Help people learn and be [socratic](#) when a teaching opportunity presents itself.
- **Strength in diversity, strength from security:**
 - Be sensitive, respectful, and accepting of different beliefs, backgrounds and practices - our diversity is our strength. Feeling safe and secure in one's own skin is important to flourish individually and as a team, a safe environment unleashes one's true potential. It is our combined responsibility to create that environment for our peers and ourselves.
- **Curiosity is A-M-A-Z-I-N-G:**

- Don't pretend to know, ask questions... the truly wise ask questions, don't be proud and pretend to know the answers. (Anybody can ask a question of anybody and should expect an answer.)
- **Be conscientious towards our minds:**
 - Non violent communications, providing experienced based ideas, vs providing solutions
 - Meditate, it's like yoga for the mind
 - With good vibes all around. Create a work environment where we all feel enthused to come into work everyday (politics and pettiness have no place here, don't create artificial stress for yourself and others.
 - *By being true to our inner selves and fully expressing ourselves. No masks, no inhibitions, no pretensions, just us. (Refer to Wholeness as a part of teal organizations, documented in Reinventing Organisations)*
- **People who reflect and learn are critical:**
- **We believe in second chances, but not thirds**
- **Be conscientious towards our body:**
 - Take breaks when you need them, practice regular fitness.
 - It's important to show self love: We aren't going to be good at anything if we aren't in good shape... be good to yourselves! Be mindful of your eating, exercise, meditation and other practices. (our policies will support you!).
- **Be conscientious towards our planet:**
 - We procure locally to reduce carbon due to unnecessary travel and packaging.
 - Be regenerative: Lets operate in a green, healthy, natural... Nature friendly... Low, zero carbon, regenerative way (Read: donut economics). Be considerate of people and the planet and they will be considerate to you. Find harmony.
- **Be radically transparent:**
 - Be transparent with practically everything. If our learnings can help others grow and create impact, they didn't steal your mojo, they multiplied it! (Read: google open sourcing its big data technologies within 2 years of discovery, or tesla open sourcing its patents). If sharing information can empower more people or get them on the same page so it doesn't always feel like you're swimming against the tide, would it be a wonderful world? Let's live in this world.