

SEED SHAREHOLDERS' AGREEMENT

This shareholders' agreement (the "**Agreement**") is dated [date] (the "**Signing Date**") and is between the Company, the Founders, the Investors and the (other) Existing Shareholders, whose details are set out on the signature page (each also a "**Party**" and together the "**Parties**"). The capitalized terms used in this Agreement have the meanings set forth in Schedule 1.

WHEREAS:

- A. The Existing Shareholders are the shareholders of [insert Company's business name], registry code [insert Company's registry code] (the "**Company**"), each owning such Shares as set out opposite its name in section "Pre-investment" of the capitalization table in Schedule 2.
- B. On or around the Signing Date [OPTION 1: the Parties][OPTION 2: certain Parties] have entered into an investment agreement (the "**Investment Agreement**"), whereby each Investor will acquire such Preferred Shares as set out opposite its name in section "Post-investment" of the capitalization table in Schedule 2.
- C. The Parties wish to agree on the main principles for the operation and management of the Company, transfers of Shares as well as other mutual rights and obligations as Shareholders.

THE PARTIES AGREE AS FOLLOWS:

1. COMPANY'S BUSINESS, OPERATIONS AND FINANCING

1.1 Definition of Business¹

The Company's business is [describe in one sentence] (the "**Business**"). If the nature and/or scope of the Business can be changed by a resolution of a governing body of the Company under the Articles, such governing body may not, however, decide or approve any change to the extent it would not comply with the definition of "Business" set forth above, except in case and to the extent this Section 1.1 of this Agreement is also respectively amended.

1.2 Transactions between Related Parties

All transactions between the Company and/or any other Group Company on the one hand, and any of the Shareholders or the Related Parties of the Founders and/or the Company, on the other hand, shall reflect market conditions and shall be made at least in a form reproducible in writing.

1.3 Compliance

The Company shall manage its operations based on the industry best practice and in compliance with applicable Laws.

1.4 Protection of Intellectual Property

The Company shall use all reasonable efforts to ensure that its operations do not violate any Intellectual Property of any third person and that all its own Intellectual Property shall be adequately maintained and protected. The Company shall procure that all its agreements involving the creation of Intellectual Property for the Company shall include substantially the provisions set forth in the most recent version of the Startup Estonia IP Assignment and License Agreement, Employment Agreement or Management Board Member Service Agreement or, in the absence thereof, such customary provisions related to the transferring and/or licensing of the relevant Intellectual Property to the Company that would enable the Company to lawfully hold and use such Intellectual Property for business purposes.

1.5 Application to other Group Companies

The principles of corporate governance set forth in this Agreement and the Articles shall be

¹NOTE TO DRAFT: Defining the Business should be carefully considered, because it is interrelated with the determination of the scope of the Non-Compete Obligation (see Section 9.1).

applied *mutatis mutandis* to all other Group Companies.

1.6 Further financing

Nothing in this Agreement shall be deemed to give rise to any obligation of a Shareholder to provide any financing to the Company in whatever form or manner. To the extent that the Company's operations cannot be financed from its revenues, the Founders shall use reasonable efforts to raise additional equity or debt financing for the Company in one or several additional financing rounds.

1.7 Articles

The Articles, in the form set out in Schedule 4 (as amended from time to time in accordance with the provisions set forth therein), shall form an integral part of this Agreement as if each provision of the Articles were a part of this Agreement, irrespective of whether the relevant version of the Articles is registered in the Commercial Register. If the registrar of the Commercial Register refuses to register a version of the Articles with the Commercial Register because any provision thereof is held to be non-compliant with applicable Laws, the Shareholders shall replace such provision by a valid provision that best reflects the Parties' original intention and achieves, to the maximum extent possible, the same economic result, and the Company shall resubmit the amended Articles to the Commercial Register. If the Articles are amended during the validity of this Agreement, such amendment also constitutes an amendment of Schedule 4 of this Agreement and the Parties shall, in all relations between themselves, apply such amended form of the Articles.

2. FOUNDERS' UNDERTAKINGS

2.1 Promotion of Business²

The Founders shall promote the best interests of the Company and shall take all actions on their part to ensure that the Business is conducted in accordance with this Agreement, the Articles and applicable Law, with the aim of increasing the value of the Company for all Shareholders[OPTIONAL: and achieving an exit for the Shareholders from their investment within the term set forth in Section 5.12].

2.2 Devotion

[OPTION 1: The Founders shall devote their entire business time to the Company (no less than 40 hours per week) and shall not undertake additional business activities without the approval of the Investor Majority][OPTION 2: The Founders shall devote substantially all their business time to the Company (no less than [insert] hours per week) and shall not undertake additional business activities without the consent of the Investor Majority. As an exception, the following Founders are entitled to undertake the following business activities, provided that this does not interfere with the relevant Founder's ability to perform its duties under this Agreement and always subject to Section 9:

- 2.2.1 [insert Founders name] is entitled to undertake the following business activities: [insert description of the business activities that the Founder is entitled to undertake];
- 2.2.2 [insert Founders name] is entitled to undertake the following business activities: [insert description of the business activities that the Founder is entitled to undertake];
- 2.2.3 [insert Founders name] is entitled to undertake the following business activities: [insert description of the business activities that the Founder is entitled to undertake].³

² NOTE TO DRAFT: This SHA does not set forth the Founders' roles and responsibilities as it is assumed that they are described in separate agreements with Founders that regulate their active contribution to the Company, for example, management board member service agreements, employment agreements or other service agreements.

³ NOTE TO DRAFT: This section is meant to detail the Founder's undertakings other than the Company, the devotion of time to which shall not constitute a breach of this clause.

2.3 New business opportunities

The Founders shall procure that all new opportunities relevant to the Business shall be taken up only through the Company or its wholly owned subsidiary, except as otherwise explicitly approved by the Investor Majority.⁴

2.4 Founder HoldCo

If a Founder holds the Shares through a legal entity (a “**Founder HoldCo**”), then

- 2.4.1 the Founder shall procure that all shares of its Founder HoldCo and all voting rights arising from such shares will be held solely by such Founder;
- 2.4.2 the Founder shall be liable for its Founder HoldCo's obligations arising from the Agreement (including the Articles) as a surety with its aggregate maximum liability being EUR [insert]; this Section 2.4.2 constitutes a suretyship agreement for the purposes of the Estonian Law of Obligations Act (in Estonian: *võlaõigusseadus*) and it shall also apply in case of an objection by the debtor within the meaning of Section 149 (2) of the Estonian Law of Obligations Act⁵⁶; and
- 2.4.3 the obligations provided in Section 9, including those related to a breach of the Non-Compete and Non-Solicitation Obligation, shall apply in addition to the Founder also to its Founder HoldCo *mutatis mutandis*.

2.5 Breach

[OPTION 1: If a Founder breaches the obligations specified in Section 2.4.1, the Investor Majority shall, subject to Section 12.5, have the right to claim from the Founder a penalty in the amount of EUR [insert amount]. Such contractual penalty shall be divided between the Shareholders (other than the breaching Founder and the respective Founder HoldCo) *pro rata* to the aggregate nominal value of their Shares.][OPTION 2: If a Founder breaches the obligations specified in Section 2.4.1 and fails to remedy such breach within 30 days following the receipt of a notice of the Company and/or the Investor Majority, the Company shall have the right to acquire from the Founder HoldCo all Shares held by the Founder HoldCo for free by sending a notice to the Founder HoldCo within 90 days of the occurrence of the breach. If the Company exercises such right, the Founder HoldCo shall take all actions requested by the Company to Transfer such Shares to the Company within 14 days after the receipt of the aforementioned notice. If the Founder HoldCo delays with the performance of such obligations it shall pay to the Company, at its request, a penalty of EUR [insert] for each day of delay. The Company may exercise the rights under this Section 2.5 only with the Investor Majority Consent. Upon the request of the Investor Majority, the Company is obliged to exercise such rights.]

3. MANAGEMENT OF THE COMPANY AND ADOPTION OF RESOLUTIONS

3.1 Governing bodies

The Company shall be governed by the Shareholders, the Supervisory Board and the Management Board in accordance with the Laws and Articles, subject to any provisions of this Agreement governing such matters.

⁴ NOTE TO DRAFT: The purpose of this provision is to avoid a conflict of interest, regardless of whether such new business opportunities compete with the Business (for example, a new co-operation agreement with a supplier, client or co-operation partner of the Company).

⁵ NOTE TO DRAFT: It is assumed that the Founder shall be liable for such Founder HoldCo's obligations arising from this Agreement and the Articles that are attributable to the holder of a Founder's Shares (for example, the provisions regulating the issuance and Transfer of shares, the adoption of Shareholders' resolutions) and a Party to this Agreement in general. Such obligations that are directly related to the Founder as an individual (e.g. those set forth in Section 2) shall remain with the Founder.

⁶ NOTE TO draft: If this Agreement is entered into in a form reproducible in writing (e.g. through DocuSign), then, in order for this Section to be valid, the Founders must sign the Agreement additionally in writing (or in such electronic form that is equal to “written form” under Estonian law).

3.2 Shareholders' matters and adoption of Shareholders' resolutions

The list of matters falling within the competence of the Shareholders as well as the quorum and voting requirements for the adoption of Shareholders' resolutions (including the list of resolutions requiring the votes of the Investor Majority) are set forth in the Articles.

3.3 Voting provisions regarding Supervisory Board

Each Shareholder shall vote in such manner as is necessary to ensure that:

- 3.3.1 the composition of the Supervisory Board shall be in line with the principles set forth in Section 5.5 of the Articles;
- 3.3.2 no Supervisory Board member elected pursuant to such principles may be removed from office unless such removal is directed or approved by the affirmative vote of the person or persons entitled under such principles to nominate that Supervisory Board member;
- 3.3.3 any vacancies on the Supervisory Board created by the resignation, removal or death of a member shall be filled pursuant to such principles; and
- 3.3.4 upon the request of any person(s) entitled to nominate a Supervisory Board member pursuant to such principles to remove such Supervisory Board member, such Supervisory Board member shall be removed.

3.4 Matters requiring approval

The Company shall procure that none of the actions which require the approval of the Shareholders or the Supervisory Board under this Agreement and/or the Articles will be taken without such approval.

4. INFORMATION RIGHTS

4.1 Provision of information

Subject to Section 4.3, the Company shall provide the following information to all Investors:

- 4.1.1 monthly report about financials, KPIs and other metrics in the format approved by the Investor Majority – within 15 days of the end of each month;
- 4.1.2 annual financial statements – within three months of the end of each financial year;
- 4.1.3 proposed annual budget for next financial year in the format approved by the Investor Majority – by the first of December of the preceding financial year;
- 4.1.4 information on events and circumstances that may have material adverse effect on the Business, specifying actions taken or proposed by the Company – as soon as possible.

4.2 Investors' right of examination and access to management

Subject to Section 4.3, each Investor may examine all books and records of the Company, inspect its facilities and request information at reasonable times and intervals concerning the status of the Company's financial condition and operations.

4.3 Restrictions on reporting

An Investor's rights under Section 4.1 and/or 4.2 may be limited by the Company if there is a basis to presume that any such actions may cause significant damage to the interests of the Company.⁷

⁷ NOTE TO DRAFT: According to Section 166(2) of the Commercial Code, the Management Board may refuse to give information or to submit documents if there is a basis to presume that this may cause significant damage to the interests of the Company. If the Management Board refuses to give information or refuses to allow documents to be examined, a Shareholder may demand that the legality of the Shareholder's demand be decided by the meeting of Shareholders or to submit, within two weeks of receiving

5. SHARE ISSUES AND TRANSFERS

5.1 General undertaking

The Company undertakes to issue Equity Securities only in full accordance with this Agreement and the Articles. Each Shareholder undertakes to other Shareholders to Transfer any Shares or encumber any Shares with any Encumbrance only in full accordance with this Agreement and the Articles.

5.2 Pre-emptive rights upon issues of new Equity Securities⁸

- 5.2.1 Subject to Sections 5.2.2(c) and 5.2.4 the Shareholders shall have the pre-emptive right (the “**Pre-emptive Right**”): (a) to subscribe for new Shares to be issued upon the increase of Share Capital as set forth in Section 193 of the Commercial Code and (b) to acquire any options, convertible loans, convertible notes or other instruments giving their holders the right to acquire new Shares (through conversion, exercise or otherwise) that are issued or offered by the Company (the instruments in (a) and (b) together the “**Equity Securities**”). The Pre-emptive Right may be exercised in accordance with this Section 5.2.
- 5.2.2 The Company shall offer any new Equity Securities in the first instance to the Shareholders (the “**Subscribers**”) on the same terms and at the same price as those Equity Securities are being offered to other persons (the “**Pre-emptive Offer**”). The Pre-emptive Offer shall be made by the Company at least in the form reproducible in writing and it shall:
- (a) be open for acceptance for at least [10] Business Days after the date of the Pre-emptive Offer (the “**Subscription Period**”); and
 - (b) include details of the respective Equity Securities (including number nominal values, if applicable, subscription prices, amounts and other main terms); and
 - (c) [OPTION 1 (simple pro rata): set forth that each Shareholder may acquire up to such proportion of the Equity Securities that equals the ratio that the aggregate nominal value of the Share(s) owned by such Shareholder bears to the aggregate nominal value of all Shares.][OPTION 2 (super pro rata): set forth that the Shareholders may acquire Equity Securities in excess of the proportion to which each is entitled and that they should in their acceptance state the number/nominal value or the amount of excess Equity Securities which they wish to acquire.]
- 5.2.3 [OPTION 1 (simple pro rata): At the end of the Subscription Period the Equity Securities shall be allotted to the Shareholders in accordance with their applications (but no Shareholder shall be allotted more than its proportional allocation set forth in Section 5.2.2(c) above) and any remaining Equity Securities may be offered to any other person determined by the Management Board at the same price and on the same terms as set forth in the Pre-emptive Offer.][OPTION 2 (super pro rata): If, at the end of the Subscription Period, the aggregate nominal value or the amount of the Equity Securities applied for is equal to or exceeds the aggregate nominal value or the amount of the Equity Securities being issued or offered by the Company, the Equity Securities shall be allotted to the Subscribers who have applied for them on a *pro rata* basis to the number of Shares held by such Subscribers which procedure shall be repeated until all Equity Securities have been allotted (without increasing the nominal value or amount allotted to any Subscriber beyond that for which the Subscriber applied). If, at the end

the refusal of the Management Board, or within four weeks after submission of the request if the Management Board has not responded to the request, a petition to a court in a proceeding on petition in order to obligate the Management Board to give information or to allow documents to be examined (Section 166(3) of the Commercial Code).

⁸ NOTE TO DRAFT: The pre-emptive right entitles a Shareholder to maintain its shareholding in the Company in case of issuance of Equity Securities.

of the Subscription Period, the aggregate nominal value or the amount of the Equity Securities applied for is less than the aggregate nominal value or the amount of the Equity Securities being issued or offered by the Company, then the Equity Securities shall be allotted to the Subscribers in accordance with their applications and any remaining Equity Securities may be offered to any other person determined by the Management Board at the same price and on the same terms as set forth in the Pre-emptive Offer.]

- 5.2.4 The Pre-emptive Right to acquire Equity Securities may be excluded upon the approval of (a) the Management Board and (b) the Shareholders by way of Shareholders' resolution supported by the majority of votes required by law and the Articles, including, in any event, the votes of [all Investors / the Investor Majority]. In case the Pre-emptive Right is excluded with respect to the subscription of Shares, the respective resolution must comply also with Section 193(3) of the Commercial Code.
- 5.2.5 The Pre-emptive Right to acquire Equity Securities shall not apply:
- (a) in respect of any options to be granted pursuant to an option plan approved in accordance with the Articles;
 - (b) in respect of any Common Shares to be issued under options mentioned in paragraph (a);
 - (c) in respect of any Shares to be issued under any Equity Securities (i) which have been previously offered to the Shareholders for acquisition under the Pre-emptive Right in accordance with this Agreement or (ii) in respect of which the Pre-emptive Right has been excluded in accordance with this Agreement and the Articles;
 - (d) in respect of any Equity Securities to be issued in consideration of the acquisition by the Company of any company or business which has been approved in accordance with the Articles;
 - (e) in respect of any Shares issued as a result of the Anti-Dilution Adjustment in accordance with Section 5.2.8;
 - (f) in respect of any Shares issued in the course of the increase of Share Capital carried out by the Management Board in accordance with the Articles.
- 5.2.6 The Pre-emptive Right with respect to the subscription of Shares may be excluded selectively with respect to certain Shareholders as set forth in Section 193(4) of the Commercial Code (a) in cases set forth in Section 5.2.4 as well as (b) in other cases where the Shareholders have determined, in the resolution adopted in accordance with law and the Articles, that the Pre-emptive Rights should be selectively excluded.
- 5.2.7 The Parties acknowledge that the Shareholders have a (statutory) pre-emptive right to subscribe for new Shares issued by the Company upon the increase of Share Capital as set forth by the Commercial Code (the "**Statutory Pre-emptive Right**"). Each Shareholder hereby unconditionally and irrevocably waives its Statutory Pre-emptive Right (and to the extent such waiver is not legally permitted, each Shareholder undertakes not to exercise its Statutory Pre-emptive Right) to subscribe for any Shares in respect of which the Pre-emptive Right does not apply under this Section 5.2 and/or has been excluded pursuant to this Section 5.2. At the request of the Company, each Shareholder shall sign such additional documents or take such other actions as may be required to give full effect to the Pre-emptive Right as set forth in this Section 5.2 and the waiver of Statutory Pre-emptive Right as set out in the previous sentence of this Section.

- 5.2.8 [OPTIONAL: An Investor may transfer the Pre-emptive Rights with respect to any Equity Securities to any of its Affiliates, provided that the respective Affiliate, prior to acquiring any Equity Securities, enters into an adherence agreement in accordance with Section 5.12.]

5.3 Transfer of a Share

A Shareholder may transfer Share(s) to a third person or another shareholder if:

- 5.3.1 the Transferring Shareholder has duly followed all the provisions of Sections 5.4-5.8, except to the extent that the Management Board and [all Investors / the Investor Majority] have waived the compliance with such provisions (which waiver may be granted at their sole discretion); and
- 5.3.2 the acquirer of the Share(s) (who is not a party to this Agreement) has entered into an adherence agreement in accordance with Section 5.12[OPTIONAL: ; and
- 5.3.3 the Transfer is in favour of a maximum of [insert] Transferees].

5.4 Transfer only for consideration in cash

A Shareholder may Transfer Share(s) to a third person only by way of sale for consideration payable in cash. The aforesaid shall not apply in case of Permitted Transfers.

5.5 Restriction on the Founder and Founder HoldCo

A Founder or a Founder HoldCo may not Transfer any Common Share(s) to a third person or another shareholder during the Vesting Period, unless

- 5.5.1 the relevant Transfer is a Permitted Transfer;
- 5.5.2 the Transfer has been approved in the form reproducible in writing in advance by [all Investors / the Investor Majority]; or
- 5.5.3 the Founder or Founder HoldCo Transfers the Shares to a Proposed Purchaser to perform the obligations of a Called Shareholder arising from Section 5.8.

5.6 Right of First Refusal

- 5.6.1 Subject to Section 5.6.7, a Transfer of Share(s) (the "**Sale Shares**") by a Shareholder to [a third party / any person, including another Shareholder] shall be subject to the right of first refusal set forth in this Section 5.6 (the "**Right of First Refusal**" or "**ROFR**").
- 5.6.2 A Shareholder who wishes to Transfer the Sale Shares (the "**Seller**") shall, before agreeing to Transfer the Sale Shares, offer such Sale Shares to all other Shareholders (the "**ROFR Shareholders**") for acquisition on the same terms and at the same price (per Share) as such Sale Shares are being offered to the original transferee (the "**Original Buyer**") by giving a notice in a form reproducible in writing (the "**Transfer Notice**") to the Company and ROFR Shareholders. The Transfer Notice must state:
- (a) the class and total number of Sale Shares;
 - (b) the price per Share at which the Sale Shares are proposed to be Transferred (the "**Transfer Price**");
 - (c) the name of the Original Buyer; and
 - (d) the Seller's address (or e-mail address) where applications for exercising Right of First Refusal should be sent.
- 5.6.3 To exercise the Right of First Refusal, a ROFR Shareholder must submit an application in the form reproducible in writing to the address specified in the Transfer Notice within 10 Business Days of the date of receipt or deemed receipt of the Transfer Notice (the "**Pre-emption Period**"). Such application must state the maximum number of Shares

that the ROFR Shareholder wishes to acquire which may be equal to such proportion of the Sale Shares that equals the ratio that the number of Shares owned by such Shareholder bears to the aggregate number of all Shares, except the Sale Share(s) (the “**Proportionate Allocation**”) or greater or lower than that (but not exceed the number of the Sale Shares).

- 5.6.4 Within seven days after the expiry of the Pre-emption Period (or the date on which applications or refusals have been received from all ROFR Shareholders, if sooner) the Seller shall allot the Sale Shares as follows:
- (a) if the total number of Shares stated in the applications submitted by Shareholders exercising the ROFR is equal to[OPTIONAL: or less than] the total number of Sale Shares, each Shareholder exercising the ROFR shall be allotted the number of Sale Shares that they applied for;
 - (b) if the total number of Shares stated in the applications submitted by Shareholders exercising the ROFR exceeds the total number of Sale Shares, each Shareholder exercising the ROFR shall be allotted his Proportionate Allocation which procedure shall be repeated until all Sale Shares have been allotted, provided that no Shareholder exercising the ROFR shall be allotted a number of Sale Shares exceeding the aggregate number which it applied for; and
 - (c) fractional entitlements shall be rounded to the nearest whole number.
- 5.6.5 Within seven days after the expiry of the Pre-emption Period (or the date on which applications or refusals have been received from all ROFR Shareholders, if sooner) the Seller shall give a notice of allocation in a form reproducible in writing (an “**Allocation Notice**”) to all Shareholders that have exercised the ROFR in accordance with Sections 5.6.1-5.6.4 (the “**Purchasing Shareholders**”). The Allocation Notice shall specify the number of Sale Shares allocated to each Purchasing Shareholder in accordance with Sections 5.6.1-5.6.4 and the place and time (being not less than seven nor more than 14 days after the date of the Allocation Notice) for the completion of the Transfer of the Sale Shares.
- 5.6.6 The Seller is obliged to Transfer the Sale Shares, and each Purchasing Shareholder is obliged to purchase the relevant number of Sale Shares allocated to him in accordance with Sections 5.6.1-5.6.4 and pay the Transfer Price (per each Sale Share purchased) in the way specified in the Allocation Notice made in accordance with Section 5.6.5.
- 5.6.7 [OPTION 1: Notwithstanding anything stated in this Section 5.6, if the Right of First Refusal has not been exercised with respect to all Sale Shares, all rights of the ROFR Shareholders to acquire the Sale Shares under this Section 5.6 shall be deemed to have automatically terminated and the Seller shall be free to Transfer all, but not less than all Sale Shares to the Original Buyer at a price at least equal to the Transfer Price (per each Sale Share), provided that such Transfer is consummated within eight weeks after the date of expiry of the latest Pre-emption Period or by the end of the period set forth in Section 5.7.7, if applicable.][OPTION 2: If the Right of First Refusal has not been exercised with respect to all Sale Shares the Seller shall be free to Transfer the remaining part of the Sale Shares to the Original Buyer at a price at least equal to the Transfer Price (per each Sale Share), provided that such Transfer is consummated within eight weeks after the date of expiry of the latest Pre-emption Period or by the end of the period set forth in Section 5.7.7, if applicable.]
- 5.6.8 The Right of First Refusal shall not apply in case of Permitted Transfers as well as in case:
- (a) Shares are Transferred by a Shareholder as a result of the exercise of its right of

co-sale in accordance with Section 5.6.9; or

- (b) Shares are Transferred in the course of the Proposed Transaction specified in Section 5.8.1 in respect of which the Drag Along Notice has been submitted in accordance with Section 5.8.

5.6.9 [OPTIONAL: An Investor may transfer its Right of First Refusal to acquire any Sale Share(s) to any of its Affiliates, provided that the respective Affiliate, prior to acquiring any Sale Share(s), enters into an adherence agreement in accordance with Section 5.12.]

5.7 Co-sale right

- 5.7.1 If [a Founder or a Founder HoldCo / a Common Shareholder] (a “**Co-Sale Seller**”) wishes to Transfer Common Share(s) to any person(s), including another Shareholder(s) (such proposed transferee(s), the “**Co-Sale Purchaser**”) and has gone through the ROFR procedures under Section 5.6 (to the extent applicable), the Co-Sale Seller shall give a notice thereof in a form reproducible in writing (“**Co-Sale Notice**”) to all Investors (other than those who are acquiring Sale Shares as a result of the exercise ROFR under Section 5.6 (if any)) at least 15 days before the proposed completion of the Transfer transaction with the Co-Sale Purchaser. The Co-Sale Notice must state the name of the Co-Sale Purchaser, the number of Sale Shares, the Transfer Price and the Co-Sale Seller’s address (or e-mail address) where applications for exercising the co-sale right should be sent.
- 5.7.2 Each Investor (except an Investor who is acquiring the Sale Shares as a result of the exercise of ROFR under Section 5.6) is entitled within 15 days after the receipt of the Co-Sale Notice to exercise the co-sale right, i.e., to send to the Co-Sale Seller an application specifying the number of Shares that such Investor wishes to Transfer to the Co-Sale Purchaser. The maximum number of such Shares shall be [OPTION 1: “ $x = A/B \times C$ ” where “A” is the total number of Shares held by such Investor, “B” is the aggregate number of all Shares (excluding Shares held by the Company) and “C” is the number of the Sale Shares the Co-Sale Seller proposes to sell][OPTION 2: all Shares held by the Investor].
- 5.7.3 If any Investor exercises its co-sale right in accordance with Section 5.7.1, the Co-Sale Seller is entitled to Transfer the Sale Shares to the Co-Sale Purchaser only on the condition that the Co-Sale Purchaser at the same time purchases from each Investor that has exercised its co-sale right such number of Shares that such Investor has indicated in its application and such purchase is made on terms no less favourable than those applicable to the Co-Sale Seller.
- 5.7.4 If the Transfer of the Sale Shares by one or more Sellers (either Common Shareholders and/or Investors) to the Original Buyer or to the Shareholders having exercised the ROFR would constitute the Majority Share Sale and no Drag Along Notice has been submitted in respect of such transaction under Section 5.8, the Sellers shall give a Co-Sale Notice in accordance with Section 5.7.1 to all other Shareholders and each of such other Shareholders is entitled to exercise the co-sale right, i.e., to send to the Sellers an application specified in Section 5.7.1 specifying the number of Shares that such Shareholder wishes to Transfer to the Original Buyer or the Shareholders having exercised the ROFR (which number may be up to the aggregate number of Shares held by the Shareholder exercising the co-sale right).
- 5.7.5 If any Shareholder exercises its co-sale right in accordance with Section 5.7.4, the Sellers are entitled to Transfer the Sale Shares to the Original Buyer or the Shareholders having exercised the ROFR only on the condition that the latter at the same time purchase from each Shareholder exercising its co-sale right such number of

Shares that such Shareholder has indicated in its application and such purchase is made on terms no less favourable than those applicable to the Sellers. In such case, the consideration payable to the Sellers and persons that have exercised the co-sale right shall be distributed in accordance with the provisions on Liquidation Preference set forth in the Articles.

5.7.6 Co-Sale Notice may require that a Shareholder exercising the co-sale right accepts the following terms in connection with the relevant Transfer transaction (but may not require the acceptance of any other terms):

- (a) each a Shareholder exercising the co-sale right shall give representations and warranties that the Original Buyer or the Shareholders having exercised the ROFR may reasonably request, reflecting such Shareholder's exercising the co-sale right shareholding in and position with respect to the Company (i.e., founder, senior manager, employee, passive investor, etc.) provided that representations and warranties to be made by any Shareholder exercising the co-sale right who is an Investor shall be limited to authority, ownership and the ability to convey title to the Shares held by such Shareholder;
- (b) the Shareholder exercising the co-sale right shall not be liable for the inaccuracy of any representation or warranty made by any other person;
- (c) the liability of any Shareholder exercising the co-sale right who is an Investor for the inaccuracy of any representations and warranties made by the Company or its Shareholders, is several and not joint with any other person, and is proportional to, and does not exceed, the amount of consideration paid to such Shareholder exercising the co-sale right in the Transfer transaction;
- (d) the liability of each Shareholder exercising the co-sale right for representations and warranties shall, to the extent legally permissible: (i) be limited to such Shareholder's proportionate share of the aggregate liability of all Shareholders; (ii) limited to the amount of consideration payable to such Shareholder in the Transfer transaction; and (iii) be subject to the same time limitations as the liability of the Seller(s).

5.7.7 No Transfer by the Seller(s) shall be made pursuant to any Co-Sale Notice more than three months after the date of that Co-Sale Notice.

5.7.8 The co-sale rights set forth in this Section 5.6.9 shall not apply in case of Permitted Transfers.

5.8 Drag-along

5.8.1 If the Investor Majority and the Common Majority (excluding, in each case, a Shareholder who is, or is an Affiliate of, the Proposed Purchaser as defined below) (a "**Drag Along Majority**") wish to Transfer all their Shares (the "**Majority Shares**") to a purchaser (including a Shareholder), who wishes to acquire all (100%) Shares of the Company ("**Proposed Purchaser**" and the relevant transaction a "**Proposed Transaction**"), the Drag Along Majority shall have the right to require that all other Shareholders (the "**Called Shareholders**") Transfer all of their Shares (the "**Called Shares**") to the Proposed Purchaser in accordance with this Section.

5.8.2 The Drag Along Majority may exercise the right set forth in Section 5.8.1 by giving to the Company, at any time before the Transfer of the Majority Shares to the Proposed Purchaser, a notice in a form reproducible in writing (a "**Drag Along Notice**") which the Company shall forthwith copy to the Called Shareholders. A Drag Along Notice must specify: (i) the name and information about the Proposed Purchaser; (ii) the consideration for which the Called Shares are to be Transferred calculated in

accordance with Section 5.8.4; and (iii) the date of Transfer of Shares that may not be earlier than 14 days of the date of receipt or deemed receipt of the Drag Along Notice.

- 5.8.3 A Drag Along Notice shall be irrevocable but will lapse if for any reason there is not a Transfer of the Majority Shares by the Drag Along Majority to the Proposed Purchaser within three months of the date of the Drag Along Notice. The Drag Along Majority shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 5.8.4 The purchase price for which the Called Shareholders shall be obliged to Transfer their Called Shares shall be that to which they would be entitled if the total purchase price proposed to be paid by the Proposed Purchaser for the Majority Shares and the Called Shares were distributed to the holders of the Majority Shares and the Called Shares in accordance with the provisions on Liquidation Preference set forth in the Articles.
- 5.8.5 Drag Along Notice may require that Called Shareholders accept the following terms in connection with the Proposed Transaction (but may not require the acceptance of any other terms):
- (a) each Called Shareholder shall give representations and warranties that the Proposed Purchaser or the Drag Along Majority may reasonably request, reflecting such Called Shareholder's shareholding in and position with respect to the Company (i.e., founder, senior manager, employee, passive investor, etc.) provided that representations and warranties to be made by any Called Shareholder who is an Investor shall be limited to authority, ownership and the ability to convey title to the Shares held by such Called Shareholder;
 - (b) the Called Shareholder shall not be liable for the inaccuracy of any representation or warranty made by any other person (except to the extent that funds may be paid out of an escrow established to cover a breach of representations, warranties and covenants of the Company as well as a breach by any Shareholder of any identical representations, warranties and covenants provided by all Shareholders);
 - (c) the liability of any Called Shareholder who is an Investor for the inaccuracy of any representations and warranties made by the Company or its Shareholders, is several and not joint with any other person, and is proportional to, and does not exceed, the amount of consideration paid to such Called Shareholder in the Proposed Transaction;
 - (d) the liability of each Called Shareholder for representations and warranties shall, to the extent legally permissible: (i) be limited to such Called Shareholder's proportionate share of the aggregate liability of all Shareholders; (ii) limited to the amount of consideration payable to such Called Shareholder in the Proposed Transaction; and (iii) be subject to the same time limitations as the liability of the Drag Along Majority;
 - (e) each Called Shareholder shall, upon the request of the Drag Along Majority, be obliged to pay a portion of its share of the purchase price into an escrow account in favour of the Proposed Purchaser, provided that amounts payable by him are proportional to the amounts payable by the Drag Along Majority and provided that the amounts payable by him are not held in escrow longer than the amounts payable by the Drag Along Majority.
- 5.8.6 On the Shares' Transfer date indicated in the Drag Along Notice the Called Shareholders shall take all actions necessary to Transfer their Shares to the Proposed Purchaser in accordance with the Proposed Purchaser's instructions, provided that the

Proposed Purchaser has provided the Called Shareholders evidence that it has or will pay them for the Shares the amounts due pursuant to Section 5.8.4, e.g. by executing the Transfer of Shares and payment of funds via a delivery versus payment transaction.

- 5.8.7 If any person, following the issue of a Drag Along Notice, becomes a Shareholder pursuant to the exercise of a pre-existing option to acquire Shares or pursuant to the conversion of any convertible instrument of the Company (a “**New Shareholder**”), the Company shall ensure that the terms of any such pre-existing option to acquire Shares or any such convertible instrument shall provide that (i) a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice and (ii) such New Shareholder shall then be bound to Transfer all Shares so acquired to the Proposed Purchaser in accordance with the Proposed Purchaser’s instructions and (iii) the provisions of this Section 5.8 shall apply to the New Shareholder mutatis mutandis, except that the completion of the Transfer of the Shares shall take place immediately after the Drag Along Notice has been delivered to the New Shareholder.
- 5.8.8 If a Liquidity Event other than a Majority Share Sale is approved by the Drag Along Majority, the Drag-Along Majority shall have the right, by a notice in a form reproducible in writing to all other Shareholders, to require that all other Shareholders take all such actions to give effect to or otherwise implement such Liquidity Event, subject to the proceeds from such Liquidity Event being distributed to the Shareholders in accordance with the provisions on Liquidation Preference set forth in the Articles.

5.9 Permitted Transfers

The following Transfers of Shares shall be permitted transfers for the purposes of this Agreement (the “**Permitted Transfers**”):

- 5.9.1 [OPTION 1: An Investor][OPTION 2: [insert the names of specific investors]] may Transfer any Share(s) to any of its Affiliates and an Affiliate of an Investor may Transfer any Share(s) to another Affiliate of such Investor without the provisions of Sections 5.3.1, 5.6 and 5.6.9 being applied to such Transfer. However, if the respective transferee thereafter ceases to be an Affiliate of the respective Investor, such transferee shall notify the Management Board thereof and, if so required by the Management Board by a respective notice in a form reproducible in writing, shall transfer all Shares held by it to such Investor or an Affiliate of such Investor (as determined by the latter).
- 5.9.2 A Founder may Transfer all of his or her Shares to a Founder HoldCo and a Founder HoldCo of a Founder may Transfer all of its Shares to another Founder HoldCo of such Founder without the provisions of Sections 5.3.1, 5.6 and 5.6.9 being applied to such Transfer. However, if the respective transferee thereafter ceases to be a Founder HoldCo of the respective Founder, such transferee shall notify the Company thereof and shall transfer all Shares held by it to such Founder or a Founder HoldCo of such Founder (as determined by the latter).
- 5.9.3 A Shareholder may Transfer any Share(s) to the Company without the provisions of Sections 5.3.1, 5.6 and 5.6.9 being applied to such Transfer. Any such Transfer shall, however, be subject to the terms and conditions for acquisition of Shares by the Company set forth in the Articles and applicable law.

5.10 Anti-dilution protection⁹

5.10.1 Subject to Section 5.10.3, if new Shares are issued at a price per Share which is less than the Starting Price per Preferred Share (a “**Dilutive Issue**”), the number of the Preferred Shares of each such Investor shall be increased by an amount which shall be calculated as follows (the “**Anti-Dilution Adjustment**”):

$$N = \left(\left(\frac{IP1}{X} \right) \times C \right) - C$$

Where:

N = the amount by which the number of Preferred Shares of the Investor shall be increased;

$$X = \frac{(IP1 \times A) + (IP2 \times B)}{(A + B)}$$

IP1 = the respective Starting Price per each respective Preferred Share;

A = aggregate number of Shares outstanding immediately before the Dilutive Issue plus the aggregate number of Shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including warrants), in each case immediately prior to the Dilutive Issue;

IP2 = the issue price (which shall be the fair market value if the new Shares are issued for consideration other than cash) per each new Share issued pursuant to the Dilutive Issue;

B = the aggregate number of Shares issued pursuant to the Dilutive Issue;

C = the number of Preferred Shares held by the Investor prior to the Dilutive Issue.

“**Starting Price**” means, in respect of a Seed Preferred Share, EUR [insert][delete this or add Starting Prices for additional classes of Shares as appropriate].

In case of (a) a bonus issue (Est. *fondiemissioen*) or (b) decrease of Share Capital where the nominal values of Shares of all Shareholders are decreased on a *pro rata* basis or (c) issue of additional Preferred Shares to Investors as a result of the Anti-Dilution Adjustment, the Starting Price shall be adjusted as determined by the Management Board with the approval of the Investor Majority so as to ensure that each Investor is in no better or worse position (with respect to each Preferred Share held) as a result of such bonus issue, decrease of Share Capital or Anti-Dilution Adjustment.

5.10.2 The Anti-Dilution Adjustment shall be effectuated by increasing the Share Capital and the number of the Preferred Shares held by the relevant Investors. The issue price of the additional Preferred Shares shall be equal to their nominal value and shall be payable by the Investors by the due date set forth in the resolution for increasing the Share Capital adopted by the relevant governing body of the Company.

5.10.3 The Anti-Dilution Adjustment shall not be applied to:

- (a) an issuance of Common Shares from the Option Pool in accordance with Section (c);

⁹ NOTE TO DRAFT: An Investor who takes a position as a minority shareholder may want to seek anti-dilution protection to prevent dilution in its equity ownership percentage in case of a down round. Anti-dilution rights entitle an Investor to subscribe/acquire additional Shares in the Company subject to either a full ratchet or a weighted average mechanism, as may be agreed. Section 5.2 sets forth a **broad-based weighted-average anti-dilution mechanism**. This is the most commonly used price-based anti-dilution adjustment mechanism, where, in the event of a down round, the nominal value of the Preferred Shares is increased so as to make the average issue price ultimately paid by each holder of Preferred Shares equal to the weighted average issue price of the shares issued in the seed round and shares issued in the down round. Alternative but less commonly used price-based anti-dilution adjustment formulas include a **narrow-based weighted-average anti-dilution mechanism**, where “A” would be limited so as to exclude reserved but unissued Shares, and a **full ratchet mechanism**, which, in the event of a down round, would lower the price paid for the preferred shares to the actual price paid in the down round.

- (b) an issuance of Shares upon the conversion of convertible loans or notes or other convertible instruments which the Company has issued before the Effective Date;
- (c) an issuance of Shares where [all Investors / the Investor Majority] have waived the application of the Anti-Dilution Adjustment.

5.11 Option Pool

The Shareholders hereby agree that the Company may grant options over Common Shares to employees, members of governing bodies, advisors and service providers subject to a maximum option pool (in nominal value) set out in respective rows regarding option pool in section "Post-investment" of the capitalization table in Schedule 2 (the "**Option Pool**"). Such maximum option pool may be changed by a resolution of Shareholders adopted in accordance with the Articles. Unless otherwise approved by a Shareholders' resolution relating to the option plan or program adopted in accordance with the Articles, options shall vest over four years: 25% after one year and remaining 75% in equal monthly instalments over following three years. The Shareholders shall take all actions necessary for the issuance of Common Shares to the holders of options granted in accordance with this Agreement, including increasing the Share Capital and waiving any pre-emptive rights to acquire the Common Shares in question.

5.12 [OPTIONAL: Exit

If a Liquidity Event has not occurred within [five] years after the Effective Date, the Company shall, if required by the Investor Majority, at the Company's expense appoint a professional adviser (to be agreed with Investor Majority) to report on exit opportunities and strategy and copies of such reports shall be made available to the Shareholders on a confidential basis (at the Company's cost). However, the aforesaid will not oblige any Shareholder to commit to any such exit strategy.]

5.13 Adherence to this Agreement

None of the Shareholders shall Transfer any Shares or encumber any Shares with an Encumbrance, nor shall the Company issue any Shares, to or for the benefit of any person until such person executes an adherence agreement substantially in the form set out in Schedule 3. Upon the increase of Share Capital, such agreement shall be signed by the Company and the new proposed shareholder and, upon the Transfer or Encumbrance of Shares, such agreement shall be signed by the Company, the Transferring or Encumbering Shareholder and the new proposed shareholder. If an adherence agreement is signed in the way set forth in the previous sentence, it does not need the acceptance or signature of any other Party.

5.14 [OPTIONAL: Investors' Put Option

5.14.1 Each Investor shall have the option to request the Company at any time to acquire all or part of such Investor's Shares either free of charge or for an aggregate price of EUR 1, as elected by the Investor (the "**Put Option**") by submitting a notice in a form reproducible in writing to the Company (the "**Put Notice**"). Upon the exercise of the Put Option the Company shall take all actions to complete the acquisition of the Shares subject to the Put Option (as specified in the Put Notice) as soon as reasonably practicable and in any event no later than 20 Business Days after the receipt of the Put Notice. Upon the transfer of Shares to the Company under the Put Option, the Investor is not required to give any representations or warranties except that it is the legal owner of the relevant Shares. Each Shareholder hereby undertakes to sign all documents and take all other actions as may be required from time to time to give full effect to the provisions of this Section.

5.14.2 By signing this Agreement, the Shareholders (in their capacity as shareholders of the Company) approve the right of the Company to acquire its own Shares pursuant to this Section within a period of five years of the Effective Date provided that the aggregate

nominal value of the Shares held by the Company does not exceed the maximum limit set forth by the law. This Section 5.14 constitutes a shareholders' resolution for the purposes of Section 162(2)(1) of the Commercial Code (in Estonian: *äriseadustik*)¹⁰.]

5.15 Contractual penalty

If a Shareholder breaches any of its obligations specified in this Section 5 or in the Articles with respect to the issue and/or Transfer of Shares, each non-breaching Shareholder shall, subject to Section 12.5, have the right to claim from the breaching Shareholder a penalty for each breach in the aggregate amount that is the greater of (a) EUR [insert amount] or (b) the price or value of the transaction made in violation of this Agreement or the Articles. Such contractual penalty shall be divided between the non-breaching Shareholders *pro rata* to the aggregate nominal value of their Shares.

6. LIQUIDATION PREFERENCE AND CONVERSION OF PREFERRED SHARES

6.1 Liquidation Preference

- 6.1.1 The Parties acknowledge that the Articles set forth the Investors' preferential rights in respect of the distribution of assets and/or proceeds upon the occurrence of a Liquidity Event (the "**Liquidation Preference**").
- 6.1.2 For the purposes of the application of the provisions on Liquidation Preference set forth in the Articles, the "**Preference Amount**" means, in respect of a Seed Preferred Share, EUR [insert] per each eurocent of the nominal value of a Seed Preferred Share[delete this or add Preference Amounts for additional classes of Shares as appropriate].
- 6.1.3 In case of (a) a bonus issue (Est. *fondiemissioon*) or (b) decrease of Share Capital where the nominal values of Shares of all Shareholders are decreased on a *pro rata* basis or (c) issue of additional Preferred Shares to Investors as a result of the Anti-Dilution Adjustment, the Preference Amount shall be adjusted as determined by the Management Board with the approval of the Investor Majority so as to ensure that each Investor is in no better or worse position (with respect to each Preferred Share held) as a result of such bonus issue or decrease of Share Capital or Anti-Dilution Adjustment.

6.2 Voluntary conversion

Each Investor has the right to convert its Preferred Shares at any time into Common Shares at an initial conversion rate of 1:1, subject to customary adjustments.

6.3 Mandatory conversion

All Preferred Shares shall be converted into Common Shares, at the then applicable conversion ratio:

- 6.3.1 if the Investor Majority requests or consents to such conversion; or
- 6.3.2 upon the closing of a firmly underwritten initial public offering of the shares of the Company (or its successor entity which shares are eligible for a public offering)[OPTIONAL: with aggregate gross proceeds of at least EUR [insert] and at a net offering price per each Share of at least [insert] times the issue price of each of the Preferred Shares (subject to customary adjustments)].

¹⁰ NOTE TO DRAFT: If this Agreement is entered into in the form reproducible in writing (such as DocuSign), then, in order for this shareholders' approval to be valid, the shareholders' resolution approving the investment under the Investment Agreement should also include the authorisation set out in this Section.

7. REVERSE VESTING AND LEAVERS¹¹

7.1 Vesting Period

The “**Vesting Period**” for Founders’ Shares shall be four years from the Effective Date. 25% of Founders’ Shares shall vest on the first anniversary of the Effective Date. The remaining 75% shall vest monthly in equal instalments over the following three years.

7.2 Definition of a Leaver

A “**Leaver**” means a Bad Leaver or a Good Leaver[OPTIONAL: or a Voluntary Leaver].

7.3 Definition of a Bad Leaver

A Founder becomes a “**Bad Leaver**” if:

- 7.3.1 the Founder’s Professional Relationship is terminated in circumstances where (a) the Founder has committed a material breach of the Professional Relationship and failed to remedy such breach within 30 days as of making a relevant request by the Company or (b) the Founder has been convicted of a criminal offence, excluding traffic related offences or (c) the Founder has caused material damage to the Company and failed to compensate the Company for such damage within 30 days as of making a relevant request by the Company;
- 7.3.2 the Founder, after the termination of the Professional Relationship, commits a material breach of any confidentiality, non-compete and/or non-solicitation obligations owed to the Company under this Agreement or under the terms of the Professional Relationship that apply after the termination of Professional Relationship;[OPTIONAL: or
- 7.3.3 the Founder terminates the Professional Relationship unilaterally, except if such termination occurs (a) due to the Company’s material breach of the Professional Relationship or (b) due to the Founder’s death or permanent inability to perform duties due to health reasons.]

A Founder does not, however, become a “Bad Leaver” if the Management Board, with the Investor Majority Consent, determines that, irrespective of the above, such Founder is not a Bad Leaver

7.4 Bad Leaver’s obligation to Transfer the Shares to the Company

If a Founder becomes a Bad Leaver during the Vesting Period, the Company shall have the right to acquire all Shares from such Founder free of charge.

7.5 Definition of a Good Leaver

A Founder becomes a “**Good Leaver**” if the Founder’s Professional Relationship is terminated in circumstances where he is not a Bad Leaver[OPTIONAL: or a Voluntary Leaver].

7.6 Good Leaver’s obligation to Transfer the Shares to the Company

If a Founder becomes a Good Leaver during the Vesting Period, the Company shall have the right to acquire from such Founder (a) all of the Founder’s Unvested Shares free of charge and (b) the remaining (vested) the Founder’s Shares against the payment of a purchase price equal to the Fair Value for such Shares.

7.7 [OPTIONAL: Definition of a Voluntary Leaver

A Founder becomes a “**Voluntary Leaver**” if the Founder terminates the Professional Relationship unilaterally, except if such termination occurs (a) due to the Company’s material breach of the Professional Relationship or (b) due to the Founder’s death or permanent inability

¹¹ NOTE TO DRAFT: Reverse vesting is a form of protection for the Investors, the Shareholders and the Company’s business in general. It is usually required by the Investors to make sure a Founder is incentivized not to depart the Company during a certain period of time and take a substantial number of Shares together with him/her which may seriously hurt the Company’s chances of raising funds in the future.

to perform duties due to health reasons or (c) in circumstances which would qualify the Founder as a Bad Leaver under Section 7.3.

7.8 Voluntary Leaver's obligation to Transfer the Shares to the Company

If a Founder becomes a Voluntary Leaver during the Vesting Period, the Company shall have the right to acquire from such Founder (a) all of the Founder's Unvested Shares free of charge and (b) [insert] per cent of the Founder's vested Shares free of charge and (c) the remaining Founder's vested Shares against the payment of a purchase price equal to the Fair Value for such Shares.]

7.9 Determination of Unvested Shares

For the purposes of this Section 6.3.2, "**Unvested Shares**" shall be 100% of the Founder's Shares, if the Founder becomes a Leaver before the first anniversary of the Effective Date, and the following percentage of the Founder's Shares, if the Founder becomes a Leaver after the first anniversary of the Effective Date, calculated as follows:

$$\frac{(\text{Vesting Period} - \text{Vested Period})}{\text{Vesting Period}} \times 100$$

where the Vesting Period is the number of calendar months in the entire vesting period and the Vested Period is the number of calendar months from the Effective Date until the date on which the Founder becomes a Leaver.

7.10 Exercise of rights requiring the Founder to Transfer the Shares

For the purposes of this Section 6.3.2, the date on which the Founder becomes a Leaver shall be the "**Trigger Date**" and the Shares that the Founder is required to Transfer under this Section 6.3.2 shall be the "**Returned Shares**". The Company may exercise its rights to request the Founder to Transfer Shares to the Company under this Section 6.3.2 (each the "**Call Option**") by sending a notice to the Founder (with a copy to all other Shareholders) (the "**Option Notice**") within 90 calendar days of the Trigger Date. The Company shall have the right to choose whether to exercise the Call Option in whole (i.e., with respect to the maximum number of Shares subject to Call Option) or in part, provided that any partial exercise of the Call Option shall require the Investor Majority Consent.

7.11 Investor Majority's rights relating to the Call Option

The Company may exercise the Call Option under this Section 6.3.2 only with the Investor Majority Consent. Upon the request of the Investor Majority, the Company is obliged to exercise such Call Option.

7.12 Deadlines for the Founder to Transfer the Shares

If the Company exercises the Call Option, the Founder shall take all actions requested by the Company to Transfer the Returned Shares to the Company (or as directed by the Company) within a period that shall be (a) 14 days after the receipt of the Option Notice, if the Transfer is free of charge or (b) 14 days after the determination of Fair Value under Section 7.13, if the Transfer is at the fair value of Shares (the "**Fair Value**"). The Transfer of the Returned Shares to the Company may be executed in several consecutive transactions at an interval of up to one year, if the Company so determines.

7.13 Determination of Fair Value

The Fair Value shall be determined in good faith by the Company. If the Founder does not agree with the Fair Value determined by the Company, the Founder must send a notice (a "**Disagreement Notice**") to the Company within seven days after the receipt of the Company's calculation of the Fair Value. In such a case, the Fair Value shall be determined by an independent expert appointed jointly by the Founder and the Company. If the Parties fail to

appoint such an expert within 14 days of the sending of the Disagreement Notice, the expert will be appointed by the management Board of the Estonian Private Equity and Venture Capital Association or an equivalent organization in Estonia as agreed by the Parties. If the latter fails to appoint such expert or decline from appointing such expert within 14 days after the relevant request of the Company, the expert shall be appointed by the competent court. The Fair Value as determined by the aforementioned expert or competent court shall be final and binding on the Parties.

7.14 Right of the Company to Transfer the rights and obligations

[OPTION 1: The Company may Transfer its rights and obligations under this Section 6.3.2 to the Shareholders (other than the relevant Founder or his or her Founder HoldCo) in proportion to their numbers of Shares or in any other proportions as may be agreed between the Shareholders in a form reproducible in writing. For the avoidance of doubt, such Transfer does not require the consent of any Party.][OPTION 2: Upon the Investor Majority Consent, the Company may Transfer its rights and obligations under this Section 6.3.2 to Founders or their Founder HoldCos (other than the Founder who has become a Leaver and his or her Founder HoldCo) in proportion to their numbers of Shares or in any other proportions as may be agreed between the Shareholders in a form reproducible in writing. For the avoidance of doubt, except for Investor Majority Consent, such Transfer does not require the consent of any Party.]

7.15 Shareholders' approval for acquiring Company's own Shares

By signing this Agreement, the Shareholders (in their capacity as shareholders of the Company) approve the right of the Company to acquire its own Shares pursuant to this Section 6.3.2 within a period of five years of the Effective Date provided that the aggregate nominal value of the Shares held by the Company does not exceed the maximum limit set forth by the law. This Section constitutes a shareholders' resolution for the purposes of Section 162(2)(1) of the Commercial Code (in Estonian: *äriseadustik*)¹².

7.16 [OPTIONAL: Acceleration of vesting]

[OPTION 1: Upon the occurrence of a Liquidity Event, the Shares held by each Founder shall be deemed to have vested in their entirety and the reverse vesting provisions stipulated in this Section 7 shall be deemed to have terminated.][OPTION 2 (Double Trigger Acceleration): If a Liquidity Event occurs and the Company has determined that the reverse vesting of Founder's Shares survives the Liquidity Event or will be substituted and the Founder becomes a Good Leaver within 30 days before the conclusion of definitive agreements for the Liquidity Event or within 12 months following the consummation of a Liquidity Event, then the vesting of the Founders' Shares shall accelerate such that 100% of the Shares then unvested shall become vested. Such acceleration shall occur immediately before the relevant Founder becomes a Good Leaver.][OPTION 3 (Single Trigger Acceleration): Upon the occurrence of a Liquidity Event, the vesting of the Founders' Shares shall accelerate such that 50% of the Shares then unvested shall become vested.][OPTION 4 (to be used in case of no acceleration or together with Option 3: Upon the occurrence of a Liquidity Event, the Company may, at its sole discretion, decide that the vesting of the Founders' Shares shall occur also with respect to all or part of the unvested Shares.]]

7.17 Contractual penalty payable upon the breach of a Founder's obligations

If the Founder delays with the performance of its obligations under this Section 6.3.2, the

¹² NOTE TO DRAFT: If this Agreement is entered into in the form reproducible in writing (such as DocuSign), then, in order for this shareholders' approval to be valid, the shareholders' resolution approving the investment under the Investment Agreement should also include the authorisation set out in this Section.

Founder shall pay to the Company, at its request, a penalty of EUR [insert] for each day of delay.

7.18 Application of provisions

7.18.1 If a Founder holds Shares of different class (e.g. both Common Shares and Preferred Shares), then the provisions of this Section 7.18 shall apply only to the Common Shares held by the Founder.

7.18.2 If a Founder holds the Shares through a Founder HoldCo (a) all references to the Founder's Shares in this Section 6.3.2 shall be deemed to refer to the Shares of his or her respective Founder HoldCo and (b) the obligation of the Founder to Transfer Shares to the Company under this Section 6.3.2 shall apply instead to his or her Founder HoldCo and (c) if the respective Founder HoldCo delays with the performance of its obligations under this Section 6.3.2, both the respective Founder and his or her Founder HoldCo shall be jointly and severally liable for the payment of the contractual penalty set forth in Section 7.16.

8. CONFIDENTIALITY

8.1 Definition of Confidential Information

For the purposes of this Agreement "**Confidential Information**" includes the following information, whether or not marked as confidential:

8.1.1 the terms of this Agreement;

8.1.2 any information relating to a Party or a Group Company that a Party receives as a result of entering into this Agreement and (a) that is marked, or at the time of disclosure is otherwise designated, as being confidential or (b) that would be regarded as confidential or commercially sensitive by a reasonable business person;

8.1.3 without prejudice to the above, in case of any Group Company:

- (a) its financial data, including budgets, regular financial reports, balance sheets, income statements, cash-flow statements, KPIs and other business and financial metrics and targets, performance against targets, progress;
- (b) its business strategies and plans, marketing and sales strategies and plans, expansion strategies and plans, market research and surveys, customer feedback, market and business opportunities, research and development, other sales and marketing information;
- (c) its existing and planned products and services, including product and service roadmaps, concepts and models, pricing models and structures, price lists (including discounts, special prices or special terms offered to or agreed with customers);
- (d) the names, addresses, contact details and other information of its customers or potential customers as well as its suppliers or potential suppliers, licensors, licensees, agents, distributors and other contractors;
- (e) its agreements, including the fact that any such agreements have been signed as well as their terms, conditions and other content;
- (f) its prospective agreements and transactions, including information relating to any offers made to or received from any party, ongoing negotiations with any party, the terms, conditions and other content of any drafts of agreements;
- (g) its current and prospective Intellectual Property as well as its technology relating to products and services as well as techniques, methods and processes used for development of concepts, products and services, any other know-how, methods, processes, techniques and technical data;

- (h) its IT systems (including websites) as well as software and technical information (including passwords) necessary for the operation, maintenance and/or development of IT systems;
 - (i) the members of its management board, supervisory board and advisory board and any similar governing body, its employees, consultants and advisors, including (in respect of each aforementioned person) their remuneration and salaries, bonuses and bonus systems, option and other incentive and motivation schemes and other terms on which such persons are employed or engaged;
 - (j) its investors and shareholders;
 - (k) the meetings of management board, supervisory board, advisory board, shareholders and any other similar governing body as well as any matters discussed at any such meetings and any resolutions adopted by any such body (whether at a meeting or otherwise);
 - (l) the information concerning or provided to third parties, in respect of which a Group Company owes a duty of confidence;
- 8.1.4 any other information (in whatever form) which any Group Company has an apparent or reasonably identifiable interest in keeping secret from third parties.

8.2 Exclusions from Confidential Information

Confidential Information shall not, however, include any information that

- 8.2.1 is, or becomes (other than through a breach of this Agreement), available to the public generally without requiring a significant expenditure of labour, skill or money;
- 8.2.2 is, at the time of disclosure, already known to the receiving Party without restriction on disclosure;
- 8.2.3 is, or subsequently comes, into the possession of the receiving Party without a violation of any obligation of confidentiality;
- 8.2.4 is explicitly approved for release by the Company at least in a form reproducible in writing;
- 8.2.5 a Party is required to disclose by Law, by any securities exchange on which such party's securities are listed or traded, by any regulatory or governmental or other authority with relevant powers to which such Party is subject or submits, or by any court order.

8.3 Confidentiality obligation

Each Party shall treat Confidential Information as confidential, i.e., it shall not use or divulge to any third party or enable any third party to become aware of (except for the purposes of the Company's business) any Confidential Information. For the avoidance of doubt, (a) the Company is entitled to disclose Confidential Information to any third party for the purposes of the Company's Business and (b) a Party, being a member of the Management Board, is entitled to disclose Confidential Information for the purposes of the Company's business in the course of fulfilling its duties as a member of the Management Board.

8.4 Exceptions to confidentiality obligation

- 8.4.1 Notwithstanding the foregoing, a Party may disclose Confidential Information to its attorneys, accountants, consultants, and other professional advisors to the extent necessary to obtain their services, provided that any persons to whom the Party discloses any such information shall be subject to the same confidentiality obligations as the relevant Party.
- 8.4.2 The confidentiality undertakings provided in this Section 8 or otherwise in this Agreement do not prevent any Shareholder that is an investment fund from disclosing

any Confidential Information to any of its Affiliates, partners, and members to the extent that it is necessary to make decisions in respect of matters relating to any Group Company and to the extent that it is necessary to comply with any relevant reporting obligations, provided that the relevant Affiliates, partners and members are bound by confidentiality obligations to maintain the confidentiality of the Confidential Information.

8.5 Term of confidentiality obligation

The obligations set forth in this Section 8 shall apply to a Party being a Shareholder as long as it is a Shareholder and during the period of three years after it ceases to be a Shareholder. The obligations set forth in this Section 8 shall apply to a Founder as long as the Founder or his or her Founder HoldCo is a Shareholder and during the period of three years after the Founder and his or her Founder HoldCo cease to be a Shareholder.

9. NON-COMPETITION AND NON-SOLICITATION

9.1 Non-Compete Obligation

For the protection of the Investors' investment under the Investment Agreement, each Founder undertakes, during the Non-Compete Period set forth in Section 9.2 and in the Restricted Territory set forth in Section 9.3, not to carry on or engage in any business competing with the Business, as a shareholder, member of governing body, employee, consultant, advisor, agent or other service provider, unless the Founder has the prior consent of the Investor Majority in a form reproducible in writing (the "**Non-Compete Obligation**"). The Non-Compete Obligation applies also to other fields of activity in which any Group Company is engaged in during the validity of the Non-Compete Period, but only to the extent that such new field of activity or product and/or service related thereto is included in the business plan or any other plan of any Group Company and is already in the advanced preparation phase, in each case during the period while the relevant Founder, or its Founder HoldCo, is a Shareholder.

9.2 Non-Compete Period

The Non-Compete Obligation applies during the period while the relevant Founder, or its Founder HoldCo, is a Shareholder[OPTIONAL: and for a period of [insert]¹³ months after the Founder and his or her Founder HoldCo, ceases to be a Shareholder] (the "**Non-Compete Period**").

9.3 Restricted Territory

The Non-Compete Obligation applies in the territory of [insert] and any other territory in which the Company generates more than [insert] percent of its turnover during the period while the relevant Founder, or its Founder HoldCo, is a Shareholder (the "**Restricted Territory**").

9.4 Exclusions

The Non-Compete Obligation does not apply to holding shares in publicly listed companies up to 5% of the share capital of the relevant company.

9.5 Non-Solicitation Obligation

For the protection of the Investors' investment under the Investment Agreement, each Founder undertakes not to solicit the Key Persons specified in Section 9.6 during the Non-Solicitation Period set forth in Section 9.7 (the "**Non-Solicitation Obligation**"). The Non-Solicitation Obligation also includes the obligation of each Founder not to, directly or indirectly, and during the Non-Solicitation Period, employ, engage or induce, or seek to induce any person who is or was a Key Person, to leave the service of any Group Company.

¹³ NOTE TO DRAFT: The period should normally not exceed 12 months. The duration of the post-term Non-Compete and Non-Solicitation Obligations shall depend on whether there is a need to continue with the restrictions, which is determined on a case-by-case basis considering the previous involvement of the Founder in the activities of the Company and the minimum amount of time required to take over the Founder's role in the Company.

9.6 Key Persons

The Non-Solicitation Obligation applies with respect to the Key Employees, key service providers, supervisory board and management board members of the Group Companies (the “**Key Persons**”).

9.7 Non-Solicitation Period

The Non-Solicitation Obligation applies during the period while the relevant Founder, or its Founder HoldCo, is a Shareholder[OPTIONAL: and for a period of [insert]¹⁴ months after the Founder or its Founder HoldCo, ceases to be a Shareholder] (the “**Non-Solicitation Period**”).

9.8 Breach of Non-Competition and Non-Solicitation Obligations

If the Founder breaches any obligations set forth in Section 9.1 or 9.5, the Company shall have the right to request such Founder, and upon the request of the Investor Majority the Company shall request such Founder, to

- 9.8.1 immediately terminate such breach;
- 9.8.2 surrender to the Company or any Group Company any revenue received in connection with such breach;
- 9.8.3 pay to the Company a contractual penalty in the amount of EUR [insert] for each breach; and/or
- 9.8.4 compensate the Company or any Group Company for damages caused to any Group Company by such breach (to the extent that they exceed the above penalty and surrendered revenues).

For this purpose, any continuing breach of such obligations of one month shall be deemed to be a new breach with a new contractual penalty as consequence.

However, if the same set of circumstances constitutes a breach by the Founder of any obligations set forth in Section 9.1 or 9.5 as well as the breach of the non-competition and/or non-solicitation obligations under such Founder's Professional Relationship, then the contractual penalty for such breach may be demanded, and is payable, only once either under this Agreement or the Professional Relationship.

10. REPRESENTATIONS AND WARRANTIES AND GENERAL UNDERTAKING

10.1 Representations and warranties

Each Party hereby represents and warrants to each other Party that:

- 10.1.1 the representative of the Party (if applicable) has all rights, including necessary internal corporate approvals (if applicable), necessary to enter into this Agreement;
- 10.1.2 the Party has full authority to enter into and perform this Agreement, including, if applicable, the consent of such Party's spouse substantially in the form of Startup Estonia model spousal consent¹⁵;
- 10.1.3 the obligations of the Party set forth in this Agreement are valid, binding on and enforceable against the Party; neither the signing nor the performance of this Agreement conflicts with or results in a violation of any provisions of: (a) the articles of association of the Party or any other similar instruments governing the Party (if

¹⁴ NOTE TO DRAFT: Please see previous comment.

¹⁵ NOTE TO DRAFT: If a Party is a natural person, who holds Shares in the Company, and his/her Shares in the Company are subject to the joint property of spouses (either by virtue of marriage, a marital agreement or otherwise), such Party needs his/her husband's or wife's consent to enter into this Agreement. If the Party enters into this Agreement without the consent of his/her spouse and the spouse does not later approve this Agreement, the entry into this Agreement by that Party may be deemed void. In general, Shares are not subject to the joint property of spouses if they were acquired before marriage, provided that any marital agreement or any other agreement between the spouses does not stipulate otherwise. In order to ensure the validity of this Agreement, the need for spousal consent should be checked for all married natural persons who are Parties to this Agreement and hold Shares.

applicable); (b) any legal acts to which the Party is subject; (c) any agreement or obligation binding on the Party (if applicable); (d) any judgment, order, injunction, decree or ruling of any court or governmental or local authority to which the Party is subject; (e) the terms and conditions of any licence or permit granted to the Party; and

- 10.1.4 no bankruptcy petition, corporate restructuring application, liquidation application, execution application, or any other similar action under any applicable jurisdiction has been filed against the Party; the Party is not subject to any other insolvency, corporate restructuring, or similar proceedings; the Party has not received any notice regarding any intention to initiate any such proceedings.

10.2 General undertaking

Each Shareholder hereby undertakes to the other Shareholders and the Company to:

- 10.2.1 comply with each of the provisions of this Agreement and the Articles and perform any and all acts necessary or desirable to ensure that the provisions of this Agreement and the Articles are given due effect and are duly followed;
- 10.2.2 exercise its voting rights and/or other powers and authorities as a Shareholder and/or member of any governing body, director or manager of a Group Company in order (insofar as it is able to do so through the exercise of such rights, powers and authorities) to give full effect to the terms of this Agreement and the Articles; and
- 10.2.3 cause all representatives elected to any governing body among its nominees to exercise their voting rights and/or other powers and authorities in order (insofar as they are able to do so through the exercise of such rights, powers and authorities) to give full effect to the terms of this Agreement and the Articles.

11. ENTRY INTO FORCE, TERM AND TERMINATION, AMENDMENTS

11.1 Entry into force

Provided this Agreement has been signed by all Parties, the Agreement enters into force on the date on which the increase of the Share Capital in accordance with the Investment Agreement and pursuant to the Shareholders' Resolutions (as defined therein) is registered with the Commercial Register (*ärireger*) (the "**Effective Date**").

11.2 Term and termination

This Agreement shall be valid until it is terminated as set forth below:

- 11.2.1 the Agreement shall terminate if so agreed by the Company and the holders of Shares representing at least 2/3 of the votes represented by all Shares, including in any event the Investor Majority (the "**Shareholders' Qualified Majority**"), provided that (a) such agreement is in the same form as the original Agreement and (b) if such termination would adversely affect the Founders, the Investors or other Shareholders otherwise than on a *pari passu pro rata* basis, the consent of each of the affected Founders, Investors or other Shareholders is specifically required;
- 11.2.2 the Agreement terminates with respect to a Shareholder who ceases to hold any Shares and has fulfilled all obligations relating to the Transfer of Shares, provided that such termination shall be without prejudice to obligations of the relevant Party existing at the time of such termination and, for the avoidance of doubt, any obligations set forth in Sections 8 and 9 shall continue to apply as provided therein.

This Agreement shall expire if:

- 11.2.3 the Company is liquidated; or
- 11.2.4 all Shares are acquired and held by one person (not taking into account the Shares as may be held by the Company itself).

The Parties hereby irrevocably waive their right to cancel the Agreement or withdraw from the Agreement on grounds provided in Law (including the Law of Obligations Act).

11.3 Amendments

This Agreement (including this Section 11.3) may be amended only in the same form as the original Agreement, unless agreed otherwise by all Parties. Amendment of this Agreement shall be valid only if it is agreed to and signed by the Company and the Shareholders' Qualified Majority, in which event such change shall be binding on all Parties, provided that

11.3.1 the provisions of Section 6.3.2 may not be amended with respect to any Founder without the consent of such Founder;

11.3.2 the provisions of Schedule 4 (New Articles) may be amended in accordance with the provisions governing the amendment of Articles;

11.3.3 if the amendment in question imposes a new obligation on a Party or increases existing obligation, the consent of the affected Party to such amendment is specifically required;

11.3.4 if such change would adversely affect the Founders, the Investors or other Shareholders otherwise than on a *pari passu pro rata* basis, the consent of each of the affected Founders, Investors or other Shareholders is specifically required.

12. FINAL PROVISIONS

12.1 Nature of obligations

The Parties have agreed to exclude the application of §§ 580-618 of the Estonian Law of Obligations Act (in Estonian: *võlaõigusseadus*) to the relationship of the Parties created under this Agreement. The rights and obligations of the Parties hereunder shall be several and not joint.

12.2 Invalid provisions

If any provision of this Agreement is invalid or unenforceable, the Parties shall use their best efforts to replace such provision to achieve the effect closest to the original provision.

12.3 Merger clause

This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all other prior declarations of intent, agreements, and other communication between the Parties with respect to the subject matter hereof.

12.4 Notices

Any notice or other communication under this Agreement must be in a form reproducible in writing and sent to the e-mail address specified on the signature page. Such notice or communication shall be deemed received at the time of transmission, or, if this time falls outside business hours in the place of receipt, when business hours resume (business hours means 09:00 to 18:00 Monday to Friday on a day that is not a public holiday in the place of receipt).

12.5 Contractual penalties

Each contractual penalty shall be deemed to operate as a measure for achieving the performance of this Agreement and not as a substitute for performance. The payment of any contractual penalty shall not release the breaching Party from the obligation to perform the relevant obligations. Before a Party becomes entitled to claim a contractual penalty under this Agreement, such Party must give the breaching Party a reasonable term (being no longer than 30 days) to cure the breach in question and its negative consequences. A Party entitled to claim a contractual penalty under this Agreement loses such right if it fails to notify the Party in breach of its intention to claim the penalty within six months after the entitled Party becomes aware of the breach in question.

12.6 Transfer of rights and obligations

No Party may Transfer its rights or obligations under this Agreement to any person without the prior consent of the other Parties in a form reproducible in writing, except that each Shareholder shall be entitled, without any consent of any other Party, to Transfer its rights and obligations under this Agreement to any person to whom the Shareholder Transfers its Shares in accordance with this Agreement and the Articles.

12.7 Applicable law

This Agreement and any rights or claims arising out of or in connection with this Agreement (including any non-contractual claims) shall be governed by the substantive law of Estonia without giving effect to any conflicts of law rules.

12.8 Jurisdiction

[OPTION 1 (arbitration in Tallinn): Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination, or invalidity thereof, shall be finally settled by arbitration in the Arbitration Court of the Chamber of Commerce and Industry of Estonia in accordance with its rules. The arbitral tribunal shall be composed of [3 arbitrators / a sole arbitrator]. The seat of arbitration shall be Tallinn. The language of the arbitration shall be English.][OPTION 2 (general courts in Estonia): Any dispute, controversy or claim arising out of or in connection with this Agreement shall be subject to jurisdiction of Harju County Court (*Harju Maakohus*) in Estonia as the court of first instance.]

12.9 Conclusion and date

This Agreement is deemed concluded if signed by all Parties. This Agreement is deemed concluded on the Signing Date irrespective of the date on which each individual Party signed this Agreement.

12.10 Schedules

This Agreement has the following Schedules:

12.10.1 Schedule 1 Definitions and Rules of Interpretation

12.10.2 Schedule 2 Cap Table

12.10.3 Schedule 3 Forms of Adherence Agreement

12.10.4 Schedule 4 New Articles

SCHEDULE 1
DEFINITIONS AND RULES OF INTERPRETATION

1. In this Agreement the following capitalized terms shall have the following meanings:

"Affiliate"	in respect of an Investor, a person Controlled, Controlling or under common Control with such Investor and, in case of an Investor which is an investment fund managed by a fund manager (a) any general partner, fund manager or managing member of such Investor (b) any investment fund now or hereafter existing that is managed or Controlled by any general partner, fund manager or managing member of, or shares the same management or advisory company with, such Investor and (c) a person Controlled, Controlling or under common Control with that general partner, fund manager or managing member and (d) any participant, unitholder, partner in or shareholder of any such investment fund (but only in connection with the dissolution of such investment fund or any distribution of assets of such investment fund pursuant to the operation of the investment fund in the ordinary course of business).
"Agreement"	this shareholders' agreement (together with its Schedules) as amended from time to time.
"Allocation Notice"	defined in Section 5.6.5.
"Anti-Dilution Adjustment"	defined in Section 5.2.
"Articles"	the articles of association of the Company in the form set out in <u>Schedule 4</u> , as amended from time to time.
"Asset Sale"	the closing of the Transfer of all or substantially all assets of the Group Companies (including Intellectual Property), or the granting of an exclusive license over all or substantially all Intellectual Property of the Group Companies, whether effected through a single transaction or series of related transactions, except if such Transfer is an Excluded Transaction.
"Bad Leaver"	defined in Section 7.2.
"Business"	defined in Section 1.1.
"Called Shares"	defined in Section 5.8.1.
"Called Shareholders"	defined in Section 5.8.1.
"Call Option"	defined in Section 7.10.
"Change of Control"	an acquisition or Transfer of Control over a respective entity.

"Common Share"	the notional part of a common share (in Estonian: <i>lihtosa</i>) of the Company having the rights specified in this Agreement and the Articles.
"Company"	defined in recital A.
"Confidential Information"	defined in Section 8.1.
"Control", "Controlled", "Controlling"	refers to a relationship in which an entity is a controlled entity of another entity or person within the meaning of Article 10 of the Securities Market Act (in Estonian: <i>väärtpaberituruseadus</i>).
"Co-Sale Notice"	defined in Section 5.7.1.
"Co-Sale Seller"	defined in Section 5.7.1.
"Co-Sale Purchaser"	defined in Section 5.7.1.
"Drag Along Majority"	defined in Section 5.8.1.
"Drag Along Notice"	defined in Section 5.8.2.
"Dilutive Issue"	defined in Section 5.2.
"Disagreement Notice"	defined in Section 7.13.
"Effective Date"	defined in Section 11.1.
"Encumbrance"	(a) a security interest of any kind, including any pledge, mortgage, financial collateral arrangement, retention of title arrangement or security assignment; (b) any claim or right belonging to a third party, including, without limitation, any right of pre-emption, right of first refusal, option, requirement of consent, lease; (c) other encumbrance or restriction of any kind.
"Equity Securities"	defined in Section 5.2.1
"Excluded Transaction"	a transaction which sole purpose is to (i) create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction; or (ii) obtain funding for the Company in a <i>bona fide</i> financing transaction that is approved by the relevant governing body of the Company.
"Existing Shareholder"	any holder of Shares immediately prior to the Effective Date as set out in section "Pre-investment" of the capitalization table in <u>Schedule 2</u> .
"Fair Value"	defined in Section 7.12.
"Founder"	a person listed as a Founder on the signatory page.

“Founder HoldCo”	defined in Section 2.4; current Founder HoldCos being those listed as Founder HoldCos on the signatory page.
“Good Leaver”	defined in Section 7.5.
“Group Company”	the Company or any of its subsidiaries.
“Intellectual Property”	any works of authorship, trademarks, service marks, trade names, business names, logos, domain names, patents, utility models, semiconductor topographies, inventions, designs and any other intellectual property as may be recognized in any jurisdiction in the world, including any rights to such intellectual property as may be recognized in any jurisdiction in the world.
“Investment Agreement”	defined in recital B.
“Investor”	any holder of Preferred Shares; current Investors being those listed as Investors on the signatory page.
“Investor Majority”	Investors holding [Preferred Shares] with the aggregate nominal value representing more than 50% of the total nominal value of all [Preferred Shares].
“Investor Majority Consent”	the prior consent of the Investor Majority in a form reproducible in writing.
“Key Employees”	[OPTION 1: All employees of the Company.][OPTION 2: Alternative 2 each of the following persons: [insert names].]
“Key Persons”	defined in Section 9.6.
“Law”	any law, regulation or other legislative act, administrative act or action or any other similar act of any Estonian, foreign, international, supranational, or local authority.
“Leaver”	defined in Section 7.2.
“Liquidity Event”	(i) dissolution of the Company; (ii) merger of the Company involving a Change of Control; (iii) Asset Sale; and/or (iv) Share Sale.
“Liquidation Preference”	defined in Section 6.1.
“Majority Shares”	defined in Section 5.8.1.
“Management Board”	the management board of the Company.
“New Shareholder”	defined in Section 5.8.7.
“Non-Compete Obligation”	defined in Section 9.1.

“Non-Compete Period”	defined in Section 9.2.
“Non-Solicitation Obligation”	defined in Section 9.5.
“Non-Solicitation Period”	defined in Section 9.7.
“Option Notice”	defined in Section 7.10.
“Option Pool”	defined in Section 5.10.3(c).
“Original Buyer”	defined in Section 5.6.1.
“Party” or “Parties”	the party or parties to this Agreement at any given time.
“Permitted Transfers”	defined in Section 5.9.
“Pre-emptive Offer”	defined in Section 5.2.2.
“Pre-emption Period”	defined in Section 5.6.3.
“Pre-emptive Right”	defined in Section 5.2.1.
“Preference Amount”	defined in Section 6.1.2.
“Preferred Shares”	Seed Preferred Shares[delete this or add additional classes of Shares as appropriate]. For these purposes: “Seed Preferred Share” means a notional part of seed preferred share (in Estonian: <i>Seed Eeliosa</i>) of the Company granting its holder the rights attached to the class of Seed Preferred Share pursuant to the Articles and, to the extent not set forth herein, the respective rights set forth in law. [delete this or add additional classes of Shares as appropriate].
“Professional Relationship”	an employment relationship, management board member service relationship or other service relationship (<i>käsundussuhe</i>) (e.g. consultancy, advisory relationship, relationship from contract for works) between the Founder, on one hand, and any Group Company, on the other hand. The Professional Relationship of a Founder shall not be treated as terminated if such Professional Relationship is transferred from one Group Company to another or if the status of the Founder changes from an employee to management board member or service provider or <i>vice versa</i> (even if the above involves a temporary cessation of the Professional Relationship with any Group Company). The Professional Relationship shall be considered terminated also if the subsidiary, with whom the Professional Relationship exists, ceases to be the Company’s subsidiary or if the business

	of the Group Company, with whom the Professional Relationship exists, is transferred to an entity that is not a Group Company.
"Proportionate Allocation"	defined in Section 5.6.3.
"Proposed Purchaser"	defined in Section 5.8.1.
"Proposed Transaction"	defined in Section 5.8.1.
"Purchasing Shareholders"	defined in Section 5.6.5.
[OPTIONAL: "Put Notice"	defined in Section 5.14.1.]
[OPTIONAL: "Put Option"	defined in Section 5.14.1.]
"Related Party"	in relation to any person, a party related to that person within the meaning of IAS 24 (Related Party Disclosures) as adopted by the International Accounting Standards Board.
"Restricted Territory"	defined in Section 9.3.
"Returned Shares"	defined in Section 7.10.
"Right of First Refusal" or "ROFR"	defined in Section 5.6.1.
"ROFR Shareholders"	defined in Section 5.6.1.
"Sale Shares"	defined in Section 5.6.1.
"Share"	a notional part of a share (osa) of the Company having a nominal value of EUR 0.01 ¹⁶ ; for example, 100 Shares shall be deemed to mean a share of the Company with a nominal value of EUR 1.
"Share Capital"	the share capital of the Company.
"Shareholder"	any holder of any Shares.
"Shareholders' Qualified Majority"	defined in Section 11.2.1.
"Share Sale"	the closing of the Transfer of any Shares that will result in the acquirer of those Shares, and persons Controlled, Controlling or under common Control with such acquirer, acquiring Control over the Company, whether effected through a single transaction or series of related transactions, except if such a Transfer is an Excluded Transaction.
"Seller"	defined in Section 5.6.1.

¹⁶ NOTE TO DRAFT: If the Articles of Association set forth a higher minimum nominal value of a Share (for example EUR 1), the relevant value should be inserted herein and in the following example.

“Signing Date”	the date indicated in the preamble of this Agreement.
“Starting Price”	defined in Section 5.2.
“Statutory Pre-emptive Right”	defined in Section 5.2.7.
“Subscribers”	defined in Section 5.2.2.
“Subscription Period”	defined in Section 5.2.2(a).
“Supervisory Board”	the supervisory board of the Company.
“Transfer”	any assignment, other disposal or transfer, whether conducted under sale, donation, an in-kind contribution or otherwise.
“Transfer Notice”	defined in Section 5.6.1.
“Transfer Price”	defined in Section 5.6.2(b).
“Trigger Date”	defined in Section 7.10.
“Unvested Shares”	defined in Section 7.7.
“Vesting Period”	defined in Section 7.1.
[OPTIONAL: “Voluntary Leaver”	defined in Section 7.7.]

2. In this Agreement the following rules of interpretation apply:
 - 2.1 References to words “include” or “including” (or any similar term) are not to be construed as implying any limitation and general words introduced by the word “other” (or any similar term) shall not be given a restrictive meaning because they are preceded or followed by words indicating a particular class of acts, matters or things.
 - 2.2 Except where the context specifically requires otherwise, words importing one gender shall be treated as importing any gender, words importing the singular shall be treated as importing the plural and vice versa, and words importing the whole shall be treated as including a reference to any part thereof.
 - 2.3 References to “form reproducible in writing” include electronic mail (including pdf).
 - 2.4 References to “persons” or “individuals” include private individuals, legal entities, unincorporated associations and partnerships and any other organisations, whether or not they have separate legal personality,
 - 2.5 The section and paragraph headings used in this Agreement are inserted for ease of reference only and shall not affect construction.
 - 2.6 Any reference to a section, paragraph or a schedule means a reference to a section, paragraph or a schedule of this Agreement.

SCHEDULE 2
CAP TABLE

[model Cap Table to be inserted]

SCHEDULE 3
FORMS OF ADHERENCE AGREEMENT
Adherence Agreement upon increasing the Share Capital

This adherence agreement (the “**Agreement**”) is dated [insert date] and is between the following parties (each individually also a “**Party**” and all together the “**Parties**”):

- (1) [OPTION 1: [insert name], a company incorporated under the laws of [insert], registry code [insert], address [insert], e-mail address [insert]][OPTION 2: [insert name], personal identification code [insert], address [insert], e-mail address [insert]] (the “**Subscriber**”), and
- (2) [insert name], a company incorporated under the Estonian laws, registry code [insert] (the “**Company**”).

WHEREAS

- A.** The Subscriber wishes to acquire [specify the class of shares, eg. common, seed preferred etc] shares of the Company upon increasing the share capital of the Company pursuant to the resolution of the [management board / supervisory board / shareholders] of the Company (the “**Resolution**”);
- B.** the Company and its shareholders have entered into the Shareholders’ Agreement dated [insert date] (the “**Shareholders’ Agreement**”);
- C.** the Subscriber confirms that it has read a copy of the Shareholders’ Agreement,
- D.** according to the Shareholders’ Agreement and the articles of association of the Company, the Company shall not issue any Shares to or for the benefit of any person until such person executes an adherence agreement substantially in the form set out herein.

THE PARTIES AGREE AS FOLLOWS:

1. The Subscriber hereby agrees to be bound by the Shareholders’ Agreement in all respects as a Party to the Shareholders’ Agreement in the capacity of [an Investor/ a Shareholder].
2. This Agreement is executed for the benefit of the parties to the Shareholders’ Agreement and any other person who may at any time assume any rights or obligations under the Shareholders’ Agreement for so long as they remain bound by the Shareholders’ Agreement.
3. This Agreement enters into force as of the moment the Subscriber becomes a shareholder of the Company pursuant to the Resolution.
4. Sections “Applicable Law” and “Jurisdiction” of the Shareholders’ Agreement shall apply also to this Agreement (and such sections are deemed to be incorporated to this Agreement by reference).
5. The capitalized terms used but not otherwise defined in this Agreement shall have the same meaning as in the Shareholders’ Agreement.

SIGNATURES

Adherence Agreement upon Transfer of the Share

This adherence agreement (the “**Agreement**”) is dated [insert date] and is between the following parties (each individually also a “**Party**” and all together the “**Parties**”):

- (1) [OPTION 1: [insert name], a company incorporated under the laws of [insert], registry code [insert], address [insert], e-mail address [insert]][OPTION 2: [insert name], personal identification code [insert], address [insert], e-mail address [insert]] (the “**Transferor**”);
- (2) [OPTION 1: [insert name], a company incorporated under the laws of [insert], registry code [insert], address [insert], e-mail address [insert]][OPTION 2: [insert name], personal identification code [insert], address [insert], e-mail address [insert]] (the “**Transferee**”), and
- (3) [insert name], a company incorporated under the Estonian laws, registry code [insert] (the “**Company**”).

WHEREAS

- A.** The Transferor wishes to Transfer [specify the class of shares, eg. common, seed preferred etc] Shares owned by the Transferor in the Company (the “**Sale Shares**”) to the Transferee and the Transferee wishes to acquire the Sale Shares from the Transferor;
- B.** the Transferor, other shareholders of the Company and the Company have entered into the Shareholders’ Agreement dated [insert date] (the “**Shareholders’ Agreement**”);
- C.** The Transferee confirms that it has read a copy of the Shareholders’ Agreement;
- D.** according to the Shareholders’ Agreement and the articles of association of the Company, none of the Shareholders shall Transfer or Encumber any Shares to or for the benefit of any person until such person executes an adherence agreement substantially in the form set out herein.

THE PARTIES AGREE AS FOLLOWS:

1. The Transferee agrees to be bound by the Shareholders’ Agreement in all respects as a Party to the Shareholders’ Agreement in the capacity of [an Investor/ a Shareholder].
2. This Agreement is executed for the benefit of the parties to the Shareholders’ Agreement and any other person who may at any time assume any rights or obligations under the Shareholders’ Agreement for so long as they remain bound by the Shareholders’ Agreement.
3. This Agreement enters into force as of the moment the Subscriber becomes a shareholder of the Company.
4. Sections “Applicable Law” and “Jurisdiction” of the Shareholders’ Agreement shall apply also to this Agreement (and such sections are deemed to be incorporated to this Agreement by reference).
5. The capitalized terms used but not otherwise defined in this Agreement shall have the same meaning as in the Shareholders’ Agreement.

SIGNATURES

SCHEDULE 4
NEW ARTICLES

[final version to be inserted]

SIGNATURE PAGE

THE PARTIES HAVE SIGNED THIS AGREEMENT AS FOLLOWS:

THE COMPANY:

Name: **[Name]**, incorporated under the laws of [country], registry code [insert]

Signature: _____

Represented by: [name]

Title [title]

Address: [address]

E-mail: [e-mail address]

THE FOUNDERS:

Name: **[Name]**, a citizen of [country], identity code [insert]

Signature: _____

Address: [address]

E-mail: [e-mail address]

Name: **[Name]**, a citizen of [country], identity code [insert]

Signature: _____

Address: [address]

E-mail: [e-mail address]

THE INVESTOR(S):

[THE LEAD INVESTOR:]

Name: **[Name]**, incorporated under the laws of [country], registry code [insert]

Signature: _____

Represented by: [name]

Title [title]

Address: [address]

E-mail: [e-mail address]

[OTHER INVESTOR(S):]

Name: **[Name]**, incorporated under the laws of [country], registry code [insert]

Signature: _____

Represented by: [name]

Title [title]

Address: [address]

E-mail: [e-mail address]

Name: **[Name]**, incorporated under the laws of [country], registry code [insert]

Signature: _____

Represented by: [name]

Title [title]

Address: [address]

E-mail: [e-mail address]

THE EXISTING SHAREHOLDERS:

FOUNDER HOLDCOS:

Name: **[Name]**, incorporated under the laws of [country], registry code [insert]

Signature: _____

Represented by: [name]

Title [title]

Address: [address]

E-mail: [e-mail address]

Name: **[Name]**, incorporated under the laws of [country], registry code [insert]

Signature: _____

Represented by: [name]

Title [title]

Address: [address]

E-mail: [e-mail address]

OTHER EXISTING SHAREHOLDERS:

Name: **[Name]**, incorporated under the laws of [country], registry code [insert]

Signature:

Represented by: [name]

Title [title]

Address: [address]

E-mail: [e-mail address]

Name: **[Name]**, incorporated under the laws of [country], registry code [insert]

Signature:

Represented by: [name]

Title [title]

Address: [address]

E-mail: [e-mail address]