**[INSERT COMPANY NAME]**

**EQUITY INVESTMENT AGREEMENT**

This equity investment agreement (“**Agreement”**) is entered into between [Company’s name] (the “**Company**”), the Investors, the Founders and the Other Shareholders whose details are set out in Schedule 1 (collectively the “**Parties**”, each a “**Party**”). This Agreement comprises the Outlined Terms in Section 1, the Detailed Terms in Section 2 and the Schedules named herein.

# OUTLINED TERMS

|  |  |
| --- | --- |
| * 1. Main investment terms | |
| Pre-money valuation: | € [insert] |
| Investor’s investment: | set out opposite each Investor’s name in Schedule 1. |
| Payment of Subscription Price: | within five (5) Business Days after fulfilment of Conditions Precedent to the Company’ bank account: [insert] |
| Shares to be issued to Investors: | Preferred Shares |
| Use of proceeds by the Company: | working capital for development of the Business in accordance with the Business Plan. |
| * 1. Conditions Precedent and withdrawal: | |
| Conditions Precedent: | The Investors’ obligations under this Agreement shall be subject to the fulfilment of the following conditions precedent (the “**Conditions Precedent**”):the Parties signing a shareholders’ agreement regarding the Company in the agreed form (the “**Shareholders’ Agreement**”);Founder having entered into IP assignment and license agreement in the agreed form;the Existing Shareholders adopting a shareholders’ resolution in the agreed form for the approval of new Articles and execution of Share Capital Increase;[insert]. |
| Withdrawal: | An Investor may withdraw from the Agreement if:   * Conditions Precedent have not been fulfilled within 10 Business Days after the Signing Date; * Share Capital Increase has not been completed within 20 Business Days after the disbursement of all Investments.   Upon Investor´s Default (a) the Company may withdraw from the Agreement in part in respect of the Investor in Default and (b) if (and only if) so decided by the Investor Majority, the Company or the Investor Majority may withdraw from the Agreement in whole with respect to all Parties.  Penalty payable by Investor in Default: [insert] |
| * 1. Warranties and liability | |
| Warranties: | Warranties of all Parties: Schedule 2 Section 1  Warranties of the Warrantors: Schedule 2 Section 2 |
| Warrantors: | *Alternative 1:* [the Company] *Alternative 2:* [the Company and the Founders/Founder Holdcos] |
| Account dates: | Annual Account Date: [insert]. Management Account Date: [insert] |
| Effect of disclosures: | *Alternative 1:* [No effect] / *Alternative 2:* [Matters Disclosed in the Disclosure Letter limit liability] *Alternative 3: [Matters Disclosed in the Due Diligence limit liability]* |
| Monetary cap on liability: | [amount of Investment by the Investor] |
| Claims expiration period: | [24 months following Closing] [save for claims arising from breach of tax Warranties, which expire 5 years following Closing] |
| Claims basket: | *Alternative 1:* [insert] / *Alternative 2:* None |
| * 1. Other clauses | |
| Control over Founder Holding Companies | If a Founder holds his Shares through a legal entity (“**Founder HoldCo**”): he shall procure that the Founder HoldCo will remain under his 100% Control;he shall be liable for Founder HoldCo’s obligations arising from the Agreement as a surety with his aggregate maximum liability being € [     ] |
| Specific indemnity: | *Alternative 1:* [see Schedule [insert number]] *Alternative 2:* None |
| Post-closing obligations: | *Alternative 1*: [see Schedule [insert number]] *Alternative 2:* None. |
| Costs: | *Alternative 1:* Each Party shall bear its own costs relating to the Agreement. *Alternative 2:* Upon Completion the Company shall reimburse [the Investors] for their legal costs in the amount up to € [insert. |
| * 1. General | |
| Schedules: | Schedule 1: Parties and Capitalization Table  Schedule 2: Warranties |

# Detailed TERMS

* 1. Definitions

### In this Agreement the following capitalized terms shall have the following meanings:

|  |  |
| --- | --- |
| “Affiliate” | a company [Controlled](#Definition_of_Control), [Controlling](#Definition_of_Control) or under common [Control](#Definition_of_Control) with the relevant entity and, in case of an investment fund managed by a fund manager (a) any other investment fund managed by that fund manager and (b) a company Controlled, Controlling or under common Control with that fund manager and (c) 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).“Control”, “Controlled” and Controlling” refers to a relationship in which an entity is a controlled entity of another entity within the meaning of Article 10 of the Securities Market Act (*väärtpaberituruseadus*). |
| “Agreement” | this seed equity investment agreement. |
| “Articles of Association” | articles of the association of the Company. |
| “Breach of Warranty” | any of the warranties given by a Party, i.e. respective statements set out in the Schedule“Warranties” being untrue, incorrect or misleading on the date as of which it is made. |
| “Business” | defined in the Shareholders Agreement. |
| “Business Day” | a day which is not Saturday, Sunday or a public holiday in Estonia. |
| “Business Plan” | a business plan of the Company attached to the Shareholders’ Agreement. |
| “Common Share” | notional part of common share (*lihtosa*) of the Company with a nominal value of €1. |
| “Completion” | registration of Share Capital Increase in the commercial register (*äriregister*). |
| “Conditions Precedent” | defined in the Outlined Terms. |
| “director” | member of the management board or supervisory board |
| “Disclosure Letter” | letter from the Warrantors to the Investor in the form agreed with the Investor and signed immediately prior to the signing of this Agreement. |
| “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 any right of pre-emption, right of first refusal, option, requirement of consent, lease; (c) other encumbrance or restriction of any kind. In this definition, a “third party” shall mean also any state, municipal or other public authority. |
| “Existing Shareholders” | holders of Shares listed in Schedule 1. |
| “Founder” | person named as Founder in Schedule 1. |
| “Financial Statements” | (a) management accounts of the Company comprising balance sheet, income statement and cash flow statement as at and for the period ended on the Management Accounts Date set out in the Outlined Terms and (b) annual accounts of the Company (*raamatupidamise aastaaruanne*) as at and for the period ended on the Annual Account Date set out in the Outlined Terms. |
| “Fully Diluted Share Capital” | amount of share capital of the Company calculated as a sum of (a) total nominal value of all Shares actually issued plus (b) total nominal value of all Shares which would be issued upon the exercise or conversion of all vested and unvested options, convertible loans and other instruments giving their holders the right to acquire Shares plus (c) total nominal value of all Common Shares reserved for future issuance under any existing option or similar plan of the Company. |
| “Group Company” | the Company and any of its subsidiaries. |
| “Investor” | person named as Investor in Schedule 1. |
| “Investor Majority” | defined in the Shareholders’ Agreement. |
| “Intellectual Property Rights” | intellectual and industrial property rights and similar rights of whatever nature anywhere in the world whether currently existing or coming into existence at some future time and all rights pertaining thereto, whether recorded or registered in any manner or otherwise, including (but not limited to) any copyrights and related rights, industrial design rights and other design rights, registered designs, patents, utility models, inventions (whether or not patentable), trademarks, service marks, database and software rights, topograhy rights, trade secrets, know-how, confidential information, business names, trade names, brand names, domain names and all other legal rights anywhere in the world protecting such intangible property including, where applicable, all renewals, extensions and applications for registration and the right to sue for damages for past and current infringement in respect of any of the same. |
| “Ordinary Course of Business” | ordinary course of Business of the Group Companies consistent with past customs and business practices and always in accordance with good and sound business practice on an arms’ length basis. |
| “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. |
| “Preferred Share” | notional part of a preferred share (*eelisosa*) of the Company with a nominal value of € 1 which gives its holder the rights set out in the Articles of Association and the Shareholders’ Agreement. |
| “Share” | notional part of a share (*osa*) of the Company having a nominal value of €1; for example, 100 Shares mean a share of the Company with a nominal value of €100. |
| “Share Capital Increase” | increase of share capital of the Company for issuing Preferred Shares to the Investors under the Agreement. |
| “Shareholder” | any holder of a Share from time to time. |
| “Shareholders’ Agreement” | defined in the Outlined Terms. |
| “Signing Date” | date on which the Agreement has been signed by all Parties. |
| “Subscription Price” | cash contribution to be provided by an Investor to the Company under this Agreement the amount of which is set out opposite the Investor’s name in column “Investment” in Schedule 1. |
| “Warrantors’ best knowledge” | Warrantor’s actual knowledge as well as knowledge the Warrantors would have had if they had exercised reasonable care. |

* 1. Equity Investment

### Subject to the terms and conditions of this Agreement, each Investor shall pay the Subscription Price to the Company in consideration of which the Company shall issue such number of Preferred Shares to the Investor which is set out opposite such Investor’s name in column “Shares following Completion” in Schedule 1.

* 1. Payment of Subscription Price and issue of Preferred Shares

### The Investor shall pay the Subscription Price in the way and within the term set out in the Outlined Terms.

### The Existing Shareholders and the Company shall procure that within seven (7) Business Days after all Investors have paid their Subscription Price in accordance with the Outlined Terms, all actions are taken, including all documents submitted and all duties and fees paid, to register the Share Capital Increase and the Preferred Shares with the Estonian Central Register of Securities and the Commercial Register (*äriregister*).

* 1. Use of proceeds

### The Company shall use the proceeds of the Subscription Price in accordance with the Outlined Terms.

* 1. Withdrawal

### For the purposes of Section “Withdrawal” of the Outlined Terms, “**Default**” means a situation where an Investor has breached its obligation to pay the Subscription Price and failed to remedy such breach within ten (10) Business Days after the receipt of respective written notice of the Company. The Company shall give notice of each Default to all Parties.

### If a Party withdraws from the Agreement in accordance with Section “Withdrawal” of the Outlined Terms in whole, i.e. with respect to all Parties:

#### the Agreement shall terminate with respect to all Parties and all Parties shall take all actions necessary to cancel the Share Capital Increase and reverse its effects;

#### the Company shall immediately repay to the Investor(s) who are not in Default any amounts disbursed by the latter under the Agreement and

#### if the right of withdrawal has arisen due to Investor’s Default, each Investor in Default shall pay to each non-defaulting Investor and to the Company, upon the respective request (which each of them may submit individually), a contractual penalty in the amount set out in Outlined Terms.

### If the Company withdraws from this Agreement in respect of the Investor in Default only:

#### the Agreement shall terminate in respect of the Investor in Default;

#### each Investor in Default shall pay to each non-defaulting Investor and to the Company, upon the respective request (which each of them may submit individually), a contractual penalty in the amount set out in Outlined Terms;

#### the Parties shall without undue delay sign documents and take other steps which are necessary in order to effect the Share Capital Increase without the contribution from the Investor in Default.

* 1. Warranties and liability

### Upon the Breach of Warranty the Investor shall deliver a notice in writing or in a form reproducible in writing to the Company (which shall receive such notice on behalf of all Warrantors) describing a Breach of Warranty in sufficient detail within ninety (90) calendar days after that Investor has obtained actual knowledge thereof. The Investor shall be deemed to have described the Breach of Warranty in sufficient detail in case the underlying facts have been described in such detail as is reasonably possible at the time when the Investor becomes aware thereof for the first time.

### Failure to provide notice in accordance with Section 2.6.1 shall not relieve any Warrantor of any liability it may have under this Agreement provided, however, that the Warrantors shall not be liable for any damage or loss to the extent the same is caused or aggravated by that Investor’s failure to timely provide notice in accordance with Section 2.6.1.

### Upon each Breach of Warranty each Investor shall have the right, with the prior approval by the Investor Majority, to claim that the Parties in breach pay, and each Party in breach shall be jointly and severally liable to that Investor to pay, at the election of the Investor, with the prior approval by the Investor Majority, either such amount to the Company which is necessary to put the Company in the position it would have been in had no such Breach of Warranty occurred or such amount to the Investor which is necessary to put the Investor in the position it would have been in had no such Breach of Warranty occurred, it being agreed that such amount shall be not less than the amount equal to the product of (i) Investor’s fully diluted shareholding in the Company and (ii) respective damages or costs of the Company resulting from the Breach of Warranty.

### If Section “Effect of disclosures” in the Outlined Terms provides “No effect”, then no disclosure made by any Party to the other Party, including, during due diligence and the negotiations of this Agreement shall operate, or be deemed to operate, as an exclusion, reduction or limitation of any liability of a Party towards another Party hereunder, except to the extent of a specific disclosure, reservation, exclusion, reduction, or limitation is made in this Agreement.

### If Section “Effect of disclosures” in the Outlined Terms provides “Matters Disclosed in the Disclosure Letter limit liability” then the Warrantors shall not be liable for a Breach of Warranty which arises solely from an event or circumstance which has been fairly disclosed to the Investor in the Disclosure Letter with sufficient explanation and detail to enable the Investor to make a reasonable assessment of the nature, scope and implications of the matters disclosed.

### If Section “Effect of disclosures” in the Outlined Terms provides “Matters Disclosed in the due diligence limit liability” then the Warrantors shall not be liable for a Breach of Warranty which arises solely from an event or circumstance which has been fairly disclosed to the Investor in the course of due diligence with sufficient explanation and detail to enable the Investor to make a reasonable assessment of the nature, scope and implications of the matters disclosed.

### If Section “Monetary cap on liability” in the Outlined Terms provides for a maximum amount of liability then the liability of the Warrantors towards each Investor for the Breaches of Warranty shall not exceed, in the aggregate, an amount provided in such Section.

### All claims relating to Breaches of Warranty under this Agreement shall expire after the period set out in “Claims survival period” in the Outlined Terms

### If Section “Claims basket” in the Outlined Terms provides for a certain amount then the Warrantors shall not be liable in respect of any claim for the Breach of Warranties unless the aggregate liability for all claims exceeds such amount, in which case the Warrantors shall be liable for the entire amount and not merely the excess. In such case, all claims arising out of the same subject matter or a set of circumstances shall be treated as one single claim rather than as individual claims.

* 1. Further assurance

### From time to time, the Company and the Existing Shareholders shall execute and deliver to each Investor such additional documents and shall provide such additional information to the Investor as the Investor may reasonably require to perform its obligations under this Agreement.

* 1. No joint liability, exculpation among the Investors

### The rights and obligations of the Investors under the Agreement shall be several and not joint.

### Each Investor agrees with each other Investor that

#### it is not relying upon the other Investor in making its investment or decision to invest in the Company and, in particular, that it has not entered into the Agreement in reliance on any statement, opinion, conclusion or representation of any other Investor or any member of governing body, employee, representative or advisor of any other Investor or any due diligence conducted by other Investor and it unconditionally and irrevocably waives any right, claim or remedy it may have by reason of any statement, opinion, or representation having been made to it by any of them in connection with the entry into the Agreement;

#### it has made its own investigation into the affairs of the Company and is not relying on the investigation made by any other Investor; and

#### it has been able to independently negotiate the terms and conditions of the Agreement and considers such terms and conditions sufficient and satisfactory for the purposes of protecting its interests.

* 1. Confidentiality

### 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 purposes of this Agreement “Confidential Information” means

#### the existence and terms of this Agreement and information about Investors’ investment under this Agreement;

#### 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;

### excluding, however, any information which:

#### is, or which becomes (other than through a breach of this Agreement), available to the public generally without requiring a significant expenditure of labour, skill or money;

#### is, at the time of disclosure, already known to the receiving Party without restriction on disclosure;

#### is, or subsequently comes, into the possession of the receiving Party without violation of any obligation of confidentiality;

#### is explicitly approved for release by the Company and the Investor Majority in a form reproducible in writing;

#### 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.

### Notwithstanding the foregoing, a Party subject to obligation to treat Confidential Information confidential may disclose Confidential Information (a) to its attorneys, accountants, and other professional advisors to the extent necessary to obtain their services in connection with making or monitoring investment in the Company; or (b) to any existing or prospective Affiliate of such Party, provided that any persons to whom such Party discloses any such information shall be subject to the same confidentiality obligations as the relevant Party.

### An announcement or press release regarding the matters contemplated by this Agreement shall be made by the Company and its content shall be approved by the Investor Majority.

* 1. Notices

### All notices and other communications made or to be made under this Agreement shall be made in English in writing or in a form reproducible in writing (unless a written form is explicitly required hereunder) and shall be given to the addressees listed in Schedule 1. Each Party may change the addresses given above or designate additional addresses for the purposes of this Section 2.10 by giving the other Parties notice of the new address in writing.

* 1. Contractual penalties

### Each contractual penalty set forth in this Agreement operates as a measure for achieving the performance and not as a substitute for the performance of the Agreement. Therefore, the payment of any penalty set forth herein shall not release the breaching party from the obligation to perform the relevant obligations set forth in the Agreement.

### Before any Party becomes entitled to claim a penalty hereunder, the breaching Party must be given (by any Party entitled to the penalty) a reasonable term (being not more than 30 days) to cure the respective breach and its negative consequences. In case the breach and its negative consequences are not cured entirely during the described cure period, the respective Parties will become entitled to claim the penalty hereunder.

### A Party entitled to claim any contractual penalty under this Agreement loses such right only if it fails to notify the Party in breach of its intention to claim the penalty within six (6) months after the entitled Party becomes aware of the respective breach.

* 1. Transfer of rights and obligations

### Subject to Section 2.12.2, no Party may transfer its rights or obligations under this Agreement to any person except with the prior written consent of the Company, the Founders and each of the Investors.

### An Investor may transfer any of its rights and/or obligations in this Agreement to any of its Affiliates or to any other person to whom such Investor has transferred any Shares in accordance with the Shareholders’ Agreement and the Articles of Association, which transfer shall be made by written notice to the Company without any consent or other action of or notice to any other Party required.

* 1. Amendments

### Any term of this Agreement may be amended with the written consent of the Company, the Founders and the Investors (without any consent of any other Party required).

### Any amendment effected in accordance with Section 2.13.1 shall be binding upon each Party, provided that if such amendment would impose any new obligations on any Party or increase any existing obligation, the consent of the affected Party to such change shall be specifically required.

* 1. Entire agreement, severability, no waiver

### This Agreement constitute the full and entire understanding and agreement between the Parties regarding the subjects hereof and supersedes any agreement or understanding, including any term sheet that may have been concluded with respect to the subject matter hereof between any of the Parties prior to the Signing Date.

### If any provision of this Agreement is held to be invalid or unenforceable, all other provisions will remain in full force and effect and will not in any way be impaired. The Parties agree to replace the invalid or unenforceable provision by a valid or enforceable provision, which shall best reflect the Parties’ original intention and shall to the maximum extent possible achieve the same economic result.

### Any delay on the part of the Investor in exercising any rights hereunder will not operate as a waiver of such rights. The Investor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid unless in writing and signed by the Party waiving such rights or remedies.

### The waiver by any Party of any of its rights under this Agreement or by law in respect of any breach of this Agreement shall not constitute and may not be construed as a waiver in respect of any other or further breach whether of a similar or different character.

### The rights and remedies of Investors set out in this Agreement are not exclusive of any other rights or remedies provided by laws.

* 1. Conflicts between the terms

### If there is a conflict between the Detailed Terms and the Outlined Terms, the Schedules or any other document incorporated by reference into the Agreement, then the conflict will be resolved by giving precedence to the different parts of the Agreement in the following order: (i) the Outlined Terms; (ii) any variations to the Detailed Terms as set out in the Outlined Terms; (iii) Schedules; (iv) any other document incorporated by reference; and (v) Detailed Terms.

* 1. Rules of interpretation

### References to the word “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.

### References to “**writing**” or “**written**” include electronic form (as defined in Estonian law); and references to “**form reproducible in writing**” include facsimile and electronic mail (including pdf).

### References to documents “**in the agreed form”** are to documents in terms and in the form approved by Investors and the Company in writing in advance.

### Except where the context specifically requires otherwise, words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, 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.

### The section and paragraph headings used in this Agreement are inserted for ease of reference only and shall not affect construction.

### In the Agreement, any reference to a section, paragraph or a Schedule means a reference to section, paragraph or Schedule of this Agreement.

* 1. Governing law and jurisdiction

### This Agreement shall be governed by and construed in accordance with the laws of the Republic of Estonia.

### Any disputes resulting from this Agreement will be solved by the County court of the location of the Company as a court of first instance.

**SCHEDULE 1**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Parties and Capitalization Table on the Signing Date** | | | | | | | | |
|  |  |  |  |  |  |  |  |  |
|  | **Shareholder** | **Shares (nominal)** | | **Number of votes** | | **% of capital** | | **Signature** |
| **Founder:** | [name] |  | |  | |  | | Signature: |
| Reg. code: | [registry code] |  | |  | |  | |  |
| Address: | [address] |  | |  | |  | | Name: [insert] |
| E-mail: | [e-mail] |  | |  | |  | | Title: [insert] |
| **Founder:** | [name] |  | |  | |  | | Signature: |
| Reg. code: | [registry code] |  | |  | |  | |  |
| Address: | [address] |  | |  | |  | | Name: [insert] |
| E-mail: | [e-mail] |  | |  | |  | | Title: [insert] |
| **Founder:** | [name] |  | |  | |  | | Signature: |
| Reg. code: | [registry code] |  | |  | |  | |  |
| Address: | [address] |  | |  | |  | | Name: [insert] |
| E-mail: | [e-mail] |  | |  | |  | | Title: [insert] |
| **Other:** | [name] |  | |  | |  | | Signature: |
| Reg. code: | [registry code] |  | |  | |  | |  |
| Address: | [address] |  | |  | |  | | Name: [insert] |
| E-mail: | [e-mail] |  | |  | |  | | Title: [insert] |
| **Other:** | [name] |  | |  | |  | | Signature: |
| Reg. code: | [registry code] |  | |  | |  | |  |
| Address: | [address] |  | |  | |  | | Name: [insert] |
| E-mail: | [e-mail] |  | |  | |  | | Title: [insert] |
| **Other:** | OPTION POOL |  | |  | |  | |  |
|  | **TOTAL:** |  | |  | | **100%** | |  |
|  |  |  |  |  |  |  |  |  |
| **Capitalization Table following Completion** | | | | | | | | |
|  |  |  |  |  |  |  |  |  |
|  | **Shareholder** | **Investment** | **Share premium** | **Common shares** | **Preferred Shares** | **Shares Total** | **% of capital** | **Signature** |
| **Investor:** | [name] | €0 | €0 |  |  |  |  | Signature: |
| Reg. code: | [registry code] |  |  |  |  |  |  |  |
| Address: | [address] |  |  |  |  |  |  | Name: [insert] |
| E-mail: | [e-mail] |  |  |  |  |  |  | Title: [insert] |
| **Investor:** | [name] | €0 | €0 |  |  |  |  | Signature: |
| Reg. code: | [registry code] |  |  |  |  |  |  |  |
| Address: | [address] |  |  |  |  |  |  | Name: [insert] |
| E-mail: | [e-mail] |  |  |  |  |  |  | Title: [insert] |
| **Founder:** | [name] |  |  |  |  |  |  |  |
| **Founder:** | [name] |  |  |  |  |  |  |  |
| **Founder:** | [name] |  |  |  |  |  |  |  |
| **Other:** | [name] |  |  |  |  |  |  |  |
| **Other:** | [name] |  |  |  |  |  |  |  |
| **Other:** | OPTION POOL |  |  |  |  |  |  |  |
|  | **TOTAL:** | **€0** | **€0** |  |  |  |  |  |

**SCHEDULE 2**

**WARRANTIES**

# Warranties of all Parties

Each Party hereby warrants to each other Party that the warranties set forth below in this Section 1 are true and accurate in all respects as of the Signing Date:

### The Party being a corporate entity is duly organized and validly existing under the laws of its country of incorporation. No actions for the dissolution, merger, division or transformation of such Party have been taken.

### No interim trustee has been appointed, no bankruptcy or reorganisation (*saneerimine*) proceedings have been commenced and no bankruptcy petitions have been submitted with respect to the Party. The Party is not insolvent for the puroposes of insolvency laws or unable to pay any of its debts as they fall due.

### The Party has full authority and power to enter into this Agreement and perform its obligations hereunder. It has acquired all consents and permits which are necessary for the due entry into and performance of this Agreement by such Party, including consents and authorisations from spouses if and to the extent required.

### The entry into and performance of this Agreement and the consummation of the transactions contemplated herein will not result in a breach of (a) the articles of association or any other constitutional documents of such Party (b) any judgement, decree or order of any court or any administrative act of any public body (c) any applicable law, permit or consent or (d) any agreement or other undertaking binding on such Party

# Warranties of the WARRANTORS

The Warrantors hereby jointly and severally warrant to each Investor that the warranties set forth below in this Section 2 are true and accurate in all respects as of the Signing Date:

* 1. Corporate Existence

### Each Group Company is duly organized and validly existing under the laws of its country of incorporation. No actions for the dissolution, merger, division or transformation of any Group Company have been taken. No interim trustee has been appointed, no bankruptcy or reorganisation proceedings have been commenced and no bankruptcy petitions have been submitted with respect to any Group Company.

### The information regarding each Group Company available from the public registers at the Signing Date is accurate and nothing has occurred which would require any change or update in such information. There are no pending applications or filings of any kind with respect to any Group Company to any public register..

### The Company has full legal right, power and authority to issue the Preferred Shares in accordance with the terms and subject to the conditions of this Agreement and the delivery to the Investors of the Preferred Shares pursuant to the provisions of this Agreement will transfer to the Investors valid title thereto without any Encumbrances, save for Encumbrances arising from the Shareholders Agreement and the Articles of Association.

### All shares of the Company set out in the capitalization table in the Outlined Terms have been legally and validly issued, are fully paid and comprise the entire registered share capital of the Company. All such shares are free from Encumbrances and rights of third parties save for Encumbrances arising from the Shareholders Agreement and the Articles of Association. Except as disclosed in such Annex, no options, warrants, convertible instruments or other rights to acquire any shares in the Company have been granted or agreed to.

### The Company owns, free and clear of any Encumbrances, the holdings in the entities set out in **Annex 1 to this Schedule**.

### Except as set out in **Annex 1 to this Schedule**, the Company does not own any shares or other interest, directly or indirectly, in any entity, partnership or unincorporated body and does not have a branch office in any country. All shares of all Subsidiaries have been legally and validly issued, are fully paid. No options, warrants, convertible instruments or other rights to acquire any shares in any Subsidiary have been granted to any person or agreed to.

### To the Warrantor’s best knowledge, there exist no restrictions, obstacles or other circumstances which have the effect of prohibiting or impairing the due conduct of Company’s business (as described to the Investors prior to the signing of this Agreement) in the places and in the manner in which such business has been conducted or is planned to be conducted.

* 1. Books, Accounts, Liabilities

### The Financial Statements have been prepared in accordance with generally accepted accounting principles applicable to such Group Companies, are materially complete and correct and materially correctly reflect the results of operation, the financial condition, the assets and the liabilities of the Group Companies as at and for the relevant periods.

### All books, records and other material documents of each Group Company exist, have been duly and correctly kept and are in the possession of the relevant Group Company.

### There are and will be no liabilities (whether actual or contingent and whether on- or off-balance sheet) of any Group Company, which relate to any fact, occurrence or event before the Signing Date other than (a) liabilities disclosed in the Financial Statements and (b) liabilities incurred in the Ordinary Course of Business after the balance sheet date of the Financial Statements.

* 1. Compliance and Litigation

### To the Warrantor’s best knowledge no Group Company has breached any applicable laws, judgements, awards, orders or any other acts of any court or arbitral body as well as any permits or authorisations applicable to it. The business of each Group Company has been conducted with due diligence and efficiency on a sound commercial basis in accordance with sound and prudent financial and business practices.

### All information and documents submitted by any Group Company to any person, entity or institution in connection with any grants from structural or other funds of the European Union or any other public funds have been materially true, correct and complete in all material respects. Each Group Company has duly fulfilled any requirements and conditions relating to such grants, and no Group Company has done or omitted to do anything that could give any person, entity or institution the right of recourse of any such grants or any part thereof.

### No Group Company is involved in any legal action, suit, litigation, prosecution, investigation, enquiry, arbitration or other legal or administrative proceeding and, to the Warrantor’s best knowledge, there are no grounds or circumstances likely to lead to any of the foregoing. There are no outstanding judgements, awards, orders or any other acts of any court of arbitral body against any Group Company.

* 1. Agreements

### All agreements listed in **Annex 1 to this Schedule** (which are considered material agreements) are valid, binding and enforceable in accordance with their respective terms, have been concluded on arms’ length basis and do not contain any provisions which may have a material adverse effect on any Group Company.

### No Group Company is in breach of any of its obligations under any material agreement. The entry into and performance of this Agreement would not constitute, a breach of any material agreement by any Group Company or any counterparty or relieve any other party to any such agreement from its obligations or enable it to determine any of them or to enforce any Encumbrance or to prematurely terminate, rescind, render void or adjust any such material agreement.

### No Group Company is a party to or bound by:

#### any non-competition undertakings or any agreement which limits the freedom of any Group Company to conduct its business in any part of the world as it deems appropriate or to freely to use any information in its possession;

#### any agreement which cannot readily be performed by any Group Company on time and in accordance with its terms;

#### any agreement unusual in its nature, not on arms’ length basis and/or outside the Ordinary Course of Business;

#### any (a) loan or credit given by or to any Group Company (other than intragroup loans granted by one Group Company to another) or any guarantee, surety or other security issued by any Group Company (b) any agreement with any related party (c) any power of attorney or agency agreement or relationship with any person pursuant to which such person is granted the authority to act for or on behalf of the Company (d) any joint venture, consortium, partnership, unincorporated association or profit sharing arrangement or agreement or (e) any other material agreement, except, in each case, any agreement listed in **Annex 1 to this Schedule**.

* 1. Assets

### Each Group Company owns, leases or has otherwise in its lawful use, and will, following the consummation of the transactions contemplated herein, continue to own and lease and have in its lawful use all the assets and rights necessary, to conduct its business as currently conducted. No such assets are subject to any Encumbrances and all physical assets are in good condition, subject to ordinary wear and tear, and have been property maintained.

* 1. Intellectual Property Rights and data protection

### All Intellectual Property Rights necessary in order to fully and effectively conduct the Company’s business as currently conducted, is owned, licensed to or otherwise lawfully held by the Group Companies without Encumbrances (save for Encumbrances arising from the terms of such licenses) and can be used by the Group Companies as from the Signing Date. None of Intellectual Property Rights owned by the Company (a) is being infringed or threatened to be infringed by any third party (b) violates or infringes any rights of any other person or is subject of any current, pending or threatened challenge, claim or proceedings (including for opposition, cancellation, revocation, rectification) and no Group Company has received any written or oral challenge or claim or notice that such Intellectual Property Rights may infringe any rights of any other person or (c) is subject to any circumstances or matters that could affect the validity or enforceability thereof.

### Each Group Company has taken all reasonable steps to protect the intellectual property rights owned or licensed by it.

### No person who has been involved in the development of the Intellectual Property Rights has any copyrights or other rights (except for moral rights that are not assignable under mandatory law) related to such Intellectual Property Rights and there are no grounds whatsoever for submitting any claims for any such rights. With respect to any moral copyrights and other not-assignable rights, all persons that may be considered as the inventors/authors/creators have granted to the Group Companies an exclusive license or other right for exercising such rights within the maximum scope allowed by law for the full lifetime of such rights, and the owner of such rights has no grounds for premature termination of any such license.

### Any use of any software or code that is covered by open source, public or similar licenses (“**OSS**”) is materially in compliance with all OSS licenses applicable thereto and such use of OSS (a) will not restrict any Group Company to conduct its business as it deems appropriate or otherwise adversely impact any Group Company and (b) will not create any obligation on any Group Company, including any obligation to grant license or usage rights with respect to any source code or object code or subject any Group Company to the license obligations relating to any OSS or to disclose or distribute the source code.

### The Company is materially compliant with all applicable data protection and processing requirements under applicable legislation.

* 1. Employment

### At the Signing Date, no Group Company has had and has any employees other than those whose employment agreements have been disclosed in **Annex 1 to this Schedule** and none of such employment contracts provides for more favourable terms than provided by the law in respect of termination of such contracts

### There are no agreements or outstanding or anticipated claims or disputes between the Group Companies and any trade union or other body representing all or any of the employees of the Group Companies.

### No Group Company owes any amount to, or has any outstanding obligation in respect of any of its present or former directors, employees or shareholders other than remuneration accrued during the month in which the Signing Date occurs, obligations relating to unused vacation and obligations to remunerate costs relating to ordinary course of business.

* 1. Taxes

### Each Group Company has kept proper records on all issues and documents it is required to record in respect of taxes. Each Group Company has filed with the appropriate tax authorities all tax returns, reports and other documents in respect of any taxes required to be filed with such tax authorities.

### Each Group Company has paid to the appropriate tax authorities, deducted and withheld all taxes required to be paid to them or to be deducted and withheld.

### There are no tax audits currently pending or, to the Warrantor’s best knowledge, threatened against any Group Company.

### No Group Company has been involved in any transaction or activity which may be reconstructed for any tax purposes.

* 1. Information and disclosures

### All documents and information which have been provided to the Investors before the Signing Date by or on behalf of any Group Company in connection with this Agreement have been correct and complete in all material respects and are, in light of the circumstances in which they are made, not misleading and give, in all material respects, a true and complete picture of the business, financial and legal condition of the Group Companies.

**Annex 1 to Schedule “Warranties”**

**List of Subsidiaries**

[to be inserted]

**List of Agreements**

[to be inserted]