**[INSERT COMPANY NAME]**

**MANAGEMENT BOARD MEMBER SERVICE AGREEMENT**

This management board member service agreement (the“**Agreement**”) is entered into between [Company’s name], registry code: [insert],address [insert],e-mail address [insert] (the “**Company**”) and [management board member’s name], personal identification code: [insert], address [insert], (“**You**”) (collectively the “**Parties**”, each individually a “**Party**”). This Agreement comprises the Outlined Termsin Section 1, the Detailed Terms in Section 2 and other Schedules attached to the Agreement.

# OUTLINED TERMS

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| --- | --- |
| * 1. Position, commencement of duties, specific areas of responsibility | |
| You are appointed as the [chairman] [member] of the Management Board (“**Position**”) from [date] (the “**Effective Date**”). [Your specific areas of responsibility are described in Schedule 1]. | |
| * 1. General duties | |
| As from the Effective Date You undertake to perform all duties relating to Your Position that arise from law, this Agreement, Articles of Association, the Shareholders’ Agreement (if existing), Corporate Resolutions and Internal Regulations. You shall comply with instructions arising from Corporate Resolutions, subject always to Your duty of care (see Section 2.3). | |
| * 1. Remuneration | |
| OPTION 1: Your basic remuneration will be € [insert] gross per month (“**Remuneration**”) which will be paid monthly in arrears no later than on the [insert] day of each month, or on the first working day following the month for which the Remuneration is accounted, by credit transfer into your nominated bank. OPTION 2: You will not be paid any remuneration for the performance of your duties. | |
| * 1. Office and support services | |
| The Company shall provide You working environment necessary for performance of your duties, including mobile phone, laptop and other equipment and shall cover related fees, subject to following limits: [insert]. | |
| * 1. Expenses | |
| You will be reimbursed for all reasonable travel and other expenses incurred in the performance of your duties upon production of valid receipts and submission of properly completed expense reports. You must always comply with the Company's current policies on expenses. Any credit card supplied to You by the Company shall be used only for expenses incurred in the performance of your duties. | |
| * 1. Holiday | |
| You shall be entitled to [insert] days paid holiday in each holiday year at time(s) agreed with the Company Representative. | |
| * 1. Reporting | |
| You are accountable to *Alternative 1:* [Shareholders or, if a Supervisory Board is established, to the Supervisory Board] *Alternative 2:* [Supervisory Board] (the “**Supervising Body**”). For this Agreement, the “**Company Representative**” shall be [the chairman of the Supervisory Board] / [a person appointed by Shareholders who as of the Effective Date shall be [name]].You shall report to the Supervising Body in accordance with the procedure in the Shareholders’ Agreement. If such procedure does not exist You shall submit to the Supervising Body monthly report on the business and financial situation of the Company in the format approved by the Supervising Body. | |
| * 1. IP, Confidentiality, Non-Competition and Non-Solicitation | |
| Intellectual Property | To be assigned or licensed to the Company as provided in Section 2.13. |
| Confidentiality | You are subject to confidentiality obligation both during and after the termination of this Agreement.  The penalty for the breach of this clause shall be € [insert] per breach. |
| Other engagements | During the term of the Agreement You shall devote all your working time and attention to Your duties and shall not, without the prior written consent of the Company Representative, be directly or indirectly, engaged in any other business or occupation whatsoever, whether paid or unpaid. |
| Non-competition | You are subject to non-competition obligation during the term of the Agreement [and [up to 12] months after the termination of the Agreement. For the non-competition obligation after the termination of the Agreement the Company shall pay You monthly compensation equal to [insert] % of the Salary.]  The penalty for the breach of this clause shall be € [insert] per breach.  “Competing Business” is any business in the Territory which competes, or proposes to compete with [insert description of Company’s business].  “Territory” is [insert] or such other part of the world in which the Company carries on business or proposes to carry on business. |
| Non-solicitation | You are subject to non-solicitation obligation with respect to Restricted Persons during the term of the Agreement and [up to 12] months after the termination of the Agreement. The penalty for the breach of this clause shall be € [insert] per breach. “Restricted Person” means [insert]. |
| * 1. Termination | |
| The Agreement is for indefinite term. The Supervising Body has the right to recall You from your Position any time with or without any reasons [and without advance notice]. You may request to be recalled from your Position by giving at least three (3) months’ advance notice in writing. This Agreement shall terminate automatically upon your recalling from the Position. | |

# Detailed TERMS

* 1. Definitions

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

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| --- | --- |
| “Corporate Resolutions” | resolutions adopted by the Shareholders in accordance with Articles of Association and applicable laws and, if the Company has a Supervisory Board, resolutions adopted by the Supervisory Board in accordance with Articles of Association and applicable laws |
| “Group Company” | the Company and any of its subsidiaries or parent undertakings from time to time. |
| “Internal Regulations” | rules, procedures, regulations, by-laws and other internal documents of the Company which apply to the Management Board |
| “Management Board” | management board of the Company |
| “Shareholders” | shareholders of the Company |
| “Shareholders Agreement” | any shareholders agreement relating to the Company entered into between shareholders whose shares represent at least 75% of all shares of the Company |
| “Supervising Body” | defined in Outlined Terms |
| “Supervisory Board” | supervisory board of the Company |

* 1. Your general obligations

### In performing your obligations, You shall:

#### perform all acts necessary for the management of the Company, adopt necessary management decisions and organise the daily business of the Company;

#### represent the Company according to the Articles of Association and Internal Regulations;

#### duly cooperate with other members of the Management Board and the Supervising Body;

#### take all actions on Your part to procure that (a) all management decisions that are necessary or desirable for the daily business of the Company are adopted and executed in a timely manner and operatively and that (b) You and other members of the Management Board are fully informed of the daily business activities of the Company, the financial situation of the Company and other material events and circumstances that are important to the Company and its business.

* 1. Duty of care

### You shall perform your obligations with due diligence and skill and care which a reasonable and experienced person in your Position would exercise under the circumstances. In particular You shall:

#### always act according to your best professional knowledge, abilities and experience for the benefit and in the best interest of the Company and avoid conflicts of interest (loyalty obligation);

#### apply good and generally recognised management skills and diligence of a reputable entrepreneur for the maximum benefit of the Company;

#### be at all times duly informed of the daily business activities of the Company, the financial situation of the Company and other material events and circumstances that are important to the Company and its business and base Your actions and management decisions on such information;

#### evaluate the risks related to particular management decisions or actions and their alternatives, establish the feasibility of such decisions and actions and base respective management decisions and actions on the results of such evaluation;

#### comply with applicable laws and procure that the Company complies with such laws;

#### avoid causing damage to third persons and the Company.

* 1. Instructions of Supervising Body

### The fact that your management decision or other act is based on a decision, order or instruction given by Supervising Body does not exempt You from Your obligations under section 2.3.1 and You shall be required to:

#### evaluate such decision, order or instruction as set out in section 2.3.1;

#### notify Supervising Body of any circumstances and risks that may induce the Supervising Body to change the decision, order or instruction and explain why such a change is reasonable;

#### notify the Supervising Body immediately if, in your reasonable opinion, the decision order or instruction adopted by respective organ is or may be illegal or invalid.

### You shall ensure that all material management decisions or acts of the Management Board are properly documented and recorded in a way that allows to establish the date, substance and motives of the decision or act in question.

* 1. Budget

### You shall ensure the timely preparation of the budget and any amendments therein and procure that these are duly submitted to the Supervisory Body for approval. You are responsible for the implementation of any approved budget.

* 1. Reporting

### You procure that the Supervising Body is fully informed about the financial situation of the Company and all material circumstances related to its business, including, in particular (a) material changes in the business and financial situation of the Company; (b) entry into material transactions or material changes related to such transactions; and (c) adoption of management decisions regarding the strategy of the Company.

* 1. Conflict of interests

### You shall procure that your activity does not entail a risk of a conflict of interests with the Company. You are required to promptly notify the Supervising Body of all existing or possible conflicts of interest and the nature thereof.

### Entering into any agreement or transaction with You, where You have personal interest or where there is a threat of a conflict of interests, shall be subject to the prior approval by the Supervising Body.

* 1. Payments

### The Company shall be entitled to deduct any amounts owed to the Company by You from Your Remuneration.

* 1. Working time

### You shall perform your duties under this Agreement at all time. You are expected to be available (by any means of communication) at least during normal working hours of the Company.

* 1. Holidays

### You shall have the right to holidays as set out in the Outlined Terms. You shall arrange that the performance of your duties to the Company during your holidays shall be without prejudice to the Company’s objectives and interests. For the sake of clarity, being on holidays does not release You from your liability as a member of the Management Board.

### If the Agreement provides for the payment of Remuneration for your duties You shall continue to receive such Remuneration also for the period of your holiday.

### In extraordinary cases, the Supervising Body may require You to interrupt Your holidays. The part of the holidays not used due to interruption shall be granted at another time as agreed with You. All your reasonable and justified expenses related to such interruption of your holidays shall be compensated to You by the Company.

### Your holiday will expire according to the rules established for employees under Estonian law. The Company shall pay You monetary compensation for the unused holidays as calculated pursuant to the rules applicable to the calculation of such compensation for the employees under Estonian law.

### You shall have the right to a sick leave according to Estonian law. You shall receive remuneration for the period of sick leave pursuant to the rules applicable to the calculation of such compensation for the employees under Estonian law.

* 1. Termination

### Without prejudice to any Outlined Terms the Parties may terminate the Agreement any time by mutual consent. Termination of the Agreement alone shall not release You from performance of the duties in your Position or from liability arising under the law until You are recalled from the Management Board.

### Upon termination of the Agreement on any ground, You shall return to the Company all Company’s assets within Your possession or use, unless the Parties agree otherwise in writing.

### After the termination of the Agreement You shall not represent Yourself as connected with the Company in any capacity, other than as a former member of the Management Board or (if that is the case) shareholder.

* 1. Confidential information

### The confidentiality obligation includes Your obligation not to, either during the term of this Agreement or at any time after its termination, directly or indirectly use or disclose to any person or enable any person to become aware of, any Confidential Information, except, in each case, if it is directly related to the proper performance of Your duties.

### For the purposes of this Section 2.12.1, “Confidential Information” shall include, in respect of any Group Company, information concerning:

#### its finances and financial data;

#### its business transactions and dealings, including prospective business transactions and dealings;

#### its agreements and contracts;

#### its business plans, expansion and other plans and intentions, operational models, sales and marketing information, market and business opportunities and strategies, marketing surveys, research and development projects

#### names, addresses, contact details and other information about its customers or clients or potential customers or clients or suppliers or potential suppliers, licensors, licensees, agents, distributors and other contractors and the terms on which any of the aforementioned persons to business or cooperate with any Group Company;

#### its existing and planned products, services, price lists and pricing structures and models (including discounts, special prices or special contract terms offered to or agreed with customers);

#### its technology or methodology associated with concepts, products and services and the techniques and processes used for development of concepts, products and services, any other know-how, methods, processes, techniques and technical data;

#### its computer systems, source codes and software, including software and technical information necessary for the development, maintenance or operation of websites;

#### its current and prospective Intellectual Property Rights;

#### its directors, employees, consultants and advisors (including salaries, bonuses, incentive schemes, commissions and other terms on which such persons are employed or engaged);

#### its shareholders;

#### resolutions and contents of meetings of any of its governing bodies;

#### information concerning or provided to third parties, in respect of which a Group Company owes a duty of confidence.

### Without prejudice to any other provisions, “Confidential Information” shall include also any other information relating to any Group Company that You receive in connection with the performance of Your duties (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, irrespective of whether it is marked confidential or identified or treated by the Group Company as being confidential.

### “Confidential Information” shall not, however, include information that:

#### is already in, or becomes available to the general public other than through Your unauthorised disclosure;

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

#### is explicitly approved for disclosure by the Company’s Representative in a form reproducible in writing;

#### You are required to disclose by law or by any court order.

### In case of doubt as to the confidentiality of certain information, such information is presumed to be Confidential Information for the purposes of this Section.

### You shall use your best endeavours to protect the confidentiality of the Confidential Information and shall inform the Company’s Representative immediately on becoming aware or suspecting that any third party may know or have used any of the Confidential Information.

### You shall not make copies of any document, correspondence, computer disk, CD-Rom, memory stick, video tape or any similar matter (including in any electronic format) or remove any such items from the premises of the Company other than in the proper performance of your duties under this Agreement except with the written authority of the Company’s representative, which authority will apply in that instance only.

### You shall not make any public statement (whether written or oral) to media or otherwise relating to the affairs of the Company and shall not write any article for publication on the matter concerned with the business or other affairs of the Company without the prior consent of the Company’s Representative.

### During the term of the Agreement and at any time after its termination You shall not do anything which might damage the Company’s reputation. For that reason, You shall not do any act in any media whatsoever that might reasonably be expected to damage the business, interests or reputation of any Group Company. This includes making any direct or indirect references to any Group Company or any of its directors and employees that might reasonably be expected to damage their business, interests or reputation in any online blog, or on any social or professional networking site or social media site.

* 1. Intellectual property rights

### In this Agreement “**Intellectual Property Rights**” or “**IPR**” mean all 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.

### If, during the term of this Agreement (whether or not during working hours and/or using Company premises, equipment, know-how and/or other resources and whether or not recorded in material form) You create or develop, whether alone or jointly with any other person(s), anything being the object of Intellectual Property Rights and which is in any way connected with or applicable to any business or operation of the Company (“**Company Intellectual Property**”), You shall disclose it to the Company immediately together with all relevant details.

### To the extent not already assigned under applicable law, You hereby assign to the Company with full title all Intellectual Property Rights to the Company Intellectual Property. All such IPR are deemed automatically transferred to the Company from the moment of their creation for the whole period of validity of the respective IPR.

### To the extent it is impossible as a matter of law to transfer the IPR specified in Section 2.13.3 to the Company, for example, the moral rights of the author, You hereby grant to the Company, to the maximum extent possible under law, an ex­clusive, transferable, fully paid-up, world-wide and unlimited right (license) to use, exploit and exercise such IPR for the whole period of their validity.

### At the request of the Company You shall take all necessary actions to transfer the title to the IPR specified in Section 2.13.3 to the Company, and do all such acts as may be necessary or proper to obtain the acceptance of any applications for such IPR and for procuring the grant of such IPR pursuant to any such applications as well as for the registration of the Company as the sole proprietor of such IPR.

### You shall exercise Your rights in a way that does not hinder the Company in exercising the rights that have been transferred or licensed to it hereunder. You shall not use the Company Intellectual Property and not exploit any rights that have been transferred or licensed to the Company hereunder in any way other than (a) for performing Your obligations to the Company or (b) in any manner expressly approved by the Company in writing in advance.

### All embodiments of Company Intellectual Property in whatever form and all records relating to such Company Intellectual Property (in all media) shall be the property of the Company. You shall surrender these to the Company either on the termination of this Agreement, or at the request of the Company at any time during this Agreement, and shall not keep any copies.

### The provisions of this Section 2.13 have been taken into account upon agreeing Your remuneration in the Agreement and You shall not receive additional payment or remuneration for the assignment and license of rights as set forth in this Section 2.13.

* 1. Non-competition and non-solicitation

### The non-competition obligation includes Your obligation not to take any of the following actions, directly or indirectly, on your own behalf, or in conjunction with any other person during the validity period of the non-competition obligation:

#### work for or provide any services to any person engaged or about to become engaged in the Competing Business;

#### otherwise be engaged, concerned or interested, whether as consultant, advisor, agent, representative, investor, joint venture, owner, partner (including silent partner), shareholder or in any other capacity, in the Competing Business, except that You may hold up to 5% of any class of securities of a company listed or dealt in on a regulated market;

#### on behalf of Competing Business, be involved with the provision of goods or services or otherwise have any business dealings with any customer or prospective customer of the Group Company with whom you dealt during your professional relationship with the Company or about whom you had access to through Confidential Information;

#### on behalf of Competing Business, entice or solicit, or endeavour to entice or solicit, any customer or prospective customer of the Group Company with whom you dealt during your professional relationship with the Company or about whom you had access to Confidential Information, in each case, to provide custom or business;

#### on behalf of Competing Business, have any business dealings with any person which has provided goods or services (other than utilities or administration-related supplies) to any Group Company and with whom you dealt during your professional relationship with the Company or about whom you had access to through the Confidential Information;

### If, according the Outlined Terms, the non-competition obligation remains in force after the termination of the Agreement, the Company shall pay You compensation for complying with such obligation in the amount specified in the Outlined Terms. Such compensation shall be paid monthly during the validity of the non-competition obligation by the same due date that is established for the payment of Remuneration. The Company can unilaterally waive the non-competition obligation following the termination of the Agreement any time by sending you respective notice. Upon delivery of such waiver the obligation to pay compensation terminates.

### The non-solicitation obligation includes Your obligation not to take any of the following actions, directly or indirectly, on your own behalf, or in conjunction with any other person during the validity period of the non-solicitation obligation:

#### entice or solicit, or endeavour to entice or solicit any Restricted Person away from any Group Company;

#### take any other action or make any other contacts with any Restricted Person which may result in termination of his employment or other contractual relationship with the Group Company or taking up a position with any third person;

### Upon the breach of the non-competition obligation or non-solicitation obligation, the Company has the right to claim from You the payment of contractual penalty in the amount specified in the Outlined Terms for each individual case of breach.

### Before accepting any offer of future employment with another employer received during the employment or before the expiry of the non-competition obligation, You shall disclose a copy of the whole of Section 2.14 and relevant Outlined Terms to the person making the offer and the prospective employer and will disclose the identity of that person to the Company as soon as possible.

### You shall immediately inform the Company Representative if any person who is or was formerly an employee or member of the management body of any Group Company solicits, induces or endeavours to solicit or induce you to leave your position in the Company with a view to taking up a position in any capacity in any Competing Business.

### During the validity period of the non-competition obligation You shall inform the Company, at its request, about Your professional and financial activities to the extent this is relevant for monitoring Your compliance with the non-competition obligation.

### You hereby represent that any information about working for or providing services to any other persons and about Your financial activities that You presented to the Company in connection with the entry into this Agreement is true and complete in all respects.

* 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. The obligation to pay penalty exists regardless of the actual damage cause by the relevant breach.

### 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 thirty (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 or if the breach is not curable, the respective Party 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.

### In case You breach this Agreement, the Company is entitled to claim, in addition to the contractual penalty, compensation for any damages (including direct patrimonial damage and loss of profit) caused by the breach to the extent not covered by the contractual penalty.

* 1. Entire agreement and amendment

### This Agreement and the documents referred to or incorporated in it constitute the entire Agreement between the Parties relating to the subject matter of this Agreement and supersedes and extinguishes any prior drafts, agreements and arrangements of any nature whatsoever between the Parties in relation to the subject matter of this Agreement.

### No amendment of this Agreement shall be valid unless it is in writing and signed by both Parties.

* 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 “persons” include private individuals, legal entities, unincorporated associations and partnerships and any other organisations, whether or not having separate legal personality.

### 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 this Agreement, any reference to a Section or a Schedule means a reference to the relevant Section or Schedule of this Agreement.

* 1. Protection of personal data

### For the purposes of ensuring the performance of this Agreement, the Company processes certain personal data about You (“**Personal Data**”). Above all, such Personal Data mainly includes Your name, e-mail, personal identification code, address, bank account details and other data which You have submitted to the Company.

### The Company uses such Personal Data only for the purposes and to the extent that is necessary for the purposes of executing this Agreement. The Company does not disclose Personal Data to any third parties, unless it is necessary for the purposes of executing this Agreement and/or the obligation of the Company to disclose arises from applicable law and/or if You have explicitly consented to such disclosure.

### You shall have all rights provided to You pursuant to applicable data protection regulations. In case of any questions or queries concerning the processing of Personal Data by the Company, please contact the Company on the contact details provided above.

* 1. Governing law and settlement of disputes

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

### Harju County Court (*Harju Maakohus*) in Estonia shall have jurisdiction over any disputes related to the Agreement.

**PARTIES’ SIGNATURES:**

|  |  |  |  |
| --- | --- | --- | --- |
| **COMPANY:** | **Signature** | **You:** | **Signature** |
| Representative: [insert], Title: [insert] |  |  |  |