**[INSERT COMPANY NAME]**

**SHAREHOLDERS’ AGREEMENT**

This shareholders’ agreement (“Agreement”) is agreed between [Company’s name] (“**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

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| --- |
| * 1. Business
 |
| Business and operations | The Company’s business is [insert description] (“**Business**”). The Company’s current business plan (“**Business Plan**”) is attached to the Agreement as **Schedule 3**.The Business Planmay be amended by the Supervisory Board.  |
| * 1. Corporate Governance and Important Decisions
 |
| Governing bodies | Shareholders, Supervisory Board, Management Board |
| Shareholder matters  | amending the articles of associationchanging the share capital, excluding the existing shareholders’ pre-emptive right to subscribe for new Shares, options, convertible loans, other instruments giving their holders the right to acquire any Shares issuing convertible note, entering into convertible loan agreement, changing any material terms of any such transaction approving, and changing any material terms of, any option plan entering into, and changing any material terms of, any option agreement, except in accordance with previously approved option planentering into any other agreement granting any person a right to acquire any Share, changing any material terms of such transaction acquiring own (treasury) Shares and transferring such Sharesdeciding on merger, division, transformation or dissolutiondistributing profittaking any of the actions in (i)-(ix) with respect to any subsidiary of the Companyelecting and recalling supervisory board members, except Company’s supervisory board members who are directly appointed under Section “Supervisory Board” entering into, and changing any material terms of, any transaction with a supervisory board member or his Related Party, raising a claim against a supervisory board member or his Related Party and appointment of the Company’s representative in any such matterapproving annual report electing auditordesignating special audit and remuneration of the special auditorresolving other matters placed within the competence of shareholders by Law. |
| Adoption of Shareholder resolutions | A resolution in Shareholder matters (i)-(x) above is adopted if supported by more than 50% of votes represented by all Shares or a higher majority set forth by mandatory Law, including in any event the [Investor Majority Votes](#Definition_of_Investor_Majority_Vote).In all other Shareholder matters, a resolution is adopted if supported by more than 50% of votes represented by Shares or a higher majority set forth by mandatory Law. |
| Investor Majority | “**Investor Majority**” means holders of majority of Preferred Shares; “**Investor Majority Votes**” means majority of votes represented by Preferred Shares and “**Investor Majority Consent**” means the prior written consent of Investor Majority. |
| Supervisory Board | [     ] members to be directly appointed or elected as follows:[     ] member(s) to be directly appointed by [     ][     ] member(s) to be directly appointed by [     ][     ] member(s) to be elected by Shareholders amongst candidates jointly agreed between [     ] and [     ][     ] member(s) to be elected by Shareholders amongst candidates appointed by [     ] Chairman to be elected by the Supervisory Board.[     ] has the right to appoint a non-voting observer to the Supervisory Board.The composition of the first Supervisory Board shall be as follows: [insert names and specify who will appoint/elect each member/observer]. |
| Supervisory Board matters | making material changes in the Business Plan; adopting new Business Planadopting, or making material change in, annual budgetentering into, and changing any material terms of, any transaction for borrowing or taking other debt in excess of budgeted amounts entering into, and changing any material terms of, any other transaction resulting in costs or liabilities in excess of budgeted amounts entering into, and changing any material terms of, any transaction for granting loan or providing guarantee, suretyship or other securityentering into Asset Sale entering into, and changing any material terms of, any transaction for Transferring or granting any right to use over any Intellectual Property or other material assets, other than non-exclusive licenses granted in the ordinary course of businessestablishing, acquiring, Transferring or encumbering any shareholding in any entity, including a Subsidiaryelecting and removing management board membersentering into, and changing any material terms of, any transaction with management board member or his Related Party, conducting legal dispute with management board member or his Related Party and appointing Company’s representative in any such matterentering into, and changing any material terms of, a transaction with a Shareholder or its Related Party, conducting legal dispute with a Shareholder or its Related Party and appointing Company’s representative in any such mattercommencing, conducting or settling material court, arbitration or similar proceedingsentering into, changing any material terms of, and terminating any agreement with any key employee or key service providerentering into, and changing any material terms of, (a) transaction which cannot be unilaterally terminated by the Company at most 3 months’ notice (b) transaction which includes exclusivity rights or obligations or (c) transaction which includes non-competition or non-solicitation obligations of the Companyentering into, and changing any material terms of, any transaction involving or leading to costs or liabilities exceeding (individually or in any period of 12 months) the amount of EUR [     ] (whether or not the relevant costs and liabilities are in excess of budgeted amounts)taking any of the actions in (i)-(xv) with respect to any subsidiary of the Company. |
| Adoption of Supervisory Board resolutions | A resolution is adopted if more than half of Supervisory Board members, including more than half of Investor Directors, are in favour.  |
| Management Board | 1 to 3 members to be elected by the Supervisory Board.Representation right: each member may individually represent the Company.  |
| * 1. Liquidation Preference
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| Liquidation preference | Upon a Liquidity Event, the Investors shall have one times non-participating liquidation preference (“**Liquidation Preference**”).For the purposes of application of Liquidation Preference, the amount paid by each Investor per each Preferred Share is set out in **Schedule 1**.  |
| * 1. Share Issues and Transfers
 |
| General restriction | During the period of 4 years from the Effective Date, no Common Shares may be sold without the Investor Majority Consent. |
| Anti-dilution protection | In the event of issue of any new Shares at a price per each euro of the nominal value of the Shares which is less than the amount paid by a Preferred Shareholder per each euro of the nominal value of the Preferred Share (“**Dilutive Issue**”), the nominal value of the Preferred Share of each relevant Preferred Shareholder shall be increased by an amount which shall be calculated as follows (“**Anti-Dilution Adjustment**”):$$N=\left(\left(\frac{IP1}{X}\right)xC\right)-C$$N = the amount by which the nominal value of the Preferred Share of the relevant Preferred Shareholder shall be increased;$$X= \frac{\left(IP1xA\right)+(IP2xB)}{\left(A+B\right)}$$IP1 = the amount paid by the Preferred Shareholder per each euro of the nominal value of its Preferred Share;A = aggregate nominal value of Shares issued and outstanding immediately before the Dilutive Issue plus the aggregate nominal value of Shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including but not limited to 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 euro of the nominal value of the new Shares issued pursuant to the Dilutive Issue;B = the aggregate nominal value of Shares issued pursuant to the Dilutive Issue;C = the nominal value of the Preferred Share held by the relevant Preferred Shareholder prior to the Dilutive Issue.The Anti-Dilution Adjustment shall be effected by increasing the Share Capital and nominal values of the Preferred Shares held by the relevant Preferred Shareholders for the nominal value of such increase. |
| Pre-emption  | The Investors shall have a *pro rata* right, based on their ownership of Shares, to participate in subsequent financings of the Company, subject to the procedure and exceptions set out in the Articles.  |
| Right of first refusal | The Investors shall have a *pro rata* right, based on their ownership of Preferred Shares, to acquire any Shares (either Common Shares or Preferred Shares) proposed to be transferred, subject to exceptions set out in the Articles. The holders of Common Shares shall have a *pro rata* right, based on their ownership of Common Shares, to acquire any Common Shares which are not taken up by the Investors.  |
| Co-sale (tag-along) | The Investors will have co-sale rights such that if any Founder wishes to sell any of his Shares, then the Investors must be given the opportunity to sell a *pro rata* proportion of such Shares on the same terms (except that Investors will not give any representations and warranties other than with regard to unencumbered title to their Shares or be subject to any non-competition, non-solicitation or similar restrictions) and at the same price. All Shareholders will have co-sale rights such that if any Shareholder wishes to sell any or all of its Shares, the effect of which would be a Change of Control of the Company, the other Shareholders must be given the opportunity to sell all their Shares on the same terms (except that Investors will not give any representations and warranties other than with regard to unencumbered title to their Shares or be subject to any non-competition, non-solicitation or similar restrictions) and at the same price, subject to the Liquidation Preference. |
| Drag-along | If the Investor Majority and the holders of majority of the Common Shares (“**Drag Along Majority**”) wish to accept an offer to sell all their Shares to a third party, or enter into a Liquidity Event, then all other Shareholders shall be required to sell their Shares or to consent to the Liquidity Event on the same terms and conditions (except that Investors will not give any representations and warranties other than with regard to unencumbered title to their Shares or be subject to any non-competition, non-solicitation or similar restrictions), subject to the Liquidation Preference. |
| Exit | If a Liquidity Event has not occurred within 5 years after the Effective Date, then 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. |
| Penalty  | The higher of: (a) € [     ] or (b) the price or value of the transaction made in violation of this Agreement or the Articles of Association. |
| * 1. Conversion of Preferred Shares
 |
| Conversion | Each Investor has the right to convert its Preferred Share at any time into a Common Share at an initial conversion rate of 1:1, subject to customary adjustments. All Preferred Shares shall be converted into Common Shares, at the then applicable conversion ratio: (a) if the Investor Majority requests or consents to such conversion or (b) 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) with aggregate gross proceeds of at least € [     ] and at a net offering price per each euro of the nominal value of the share of at least [     ] times the Issue Price (subject to customary adjustments). |
| * 1. Option Pool
 |
| Option Pool | The Company may grant options over Common Shares to employees, members of governing bodies, consultants and service providers subject to a maximum option pool (in nominal value) set out in **Schedule 1** row “Option Pool”. Unless otherwise approved by the Supervisory Board, options shall vest over 4 years: 25% after one year and remaining 75% in equal monthly instalments over following 3 years. |
| * 1. Founders’ Undertakings and Covenants
 |
| Promotion of Business | 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 Business Plan, the Articles and applicable Law with the aim of (i) reaching the milestones set forth in the Business Plan and (ii) increasing the value of the Company for all Shareholders and (iii) achieving an exit for the Shareholders from their investment within the term set out in Section “Exit” above. |
| Devotion  | The Founders must devote their entire business time and attention to the Company and shall not undertake additional business activities without the consent of Investor Majority. |
| New Business opportunities | The Founders shall procure that all new business opportunities relevant to the Business shall only be taken up through the Company or its wholly owned subsidiary, except as otherwise explicitly approved by the Investor Majority. |
| Non-competition  | Each Founder, in his capacity as a Shareholder, undertakes not to compete with the Business in the territory of [     ] (“**Restricted Territory**”) while he is a Shareholder and for a period of 2 years after he ceases to be a Shareholder (“**Non-compete Period**”).Penalty: € [     ] per breach |
| Non-solicitation | Each Founder, in his capacity as a Shareholder, undertakes not to solicit the key employees, key service providers, supervisory board and management board members of the Group Companies (“**Key Persons**”) during the period of 2 years after he ceases to be a Shareholder (“**Non-solicitation Period**”).Penalty: € [     ] per breach |
| Founder HoldCo  | 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 € [     ];he shall remain bound by the “Non-competition” and “Non-solicitation” provisions despite being a Shareholder indirectly through Founder Holding Company;the obligation of the Founder to transfer his Share back to the Company under “Reverse Vesting” provisions shall apply instead to the Founder HoldCo. |
| * 1. Reverse Vesting
 |
| Vesting terms | The “**Vesting Period**” for Founders’ Shares shall be 4 years from the Effective Date.25% of Founders’ Shares shall vest on the first anniversary of the Effective Date. The remaining 75% shall vest in equal monthly installments over the following 3 years. |
| Bad Leaver | A Founder becomes a “**Bad Leaver**” if he voluntarily resigns or his Professional Relationship is terminated for Cause, in each case during the Vesting Period, unless the Company (with the Investor Majority Consent) determines that, irrespective of the above, he is not a Bad Leaver. “**Voluntary resignation**” means the unilateral termination of the Professional Relationship by the Founder which is not caused by (i) Company’s material breach of the Professional Relationship or (ii) Founder’s death or permanent inability to perform duties due to health reasons.“**Termination for Cause**” means termination of the Professional Relationship in circumstances where (i) the Founder has committed a material breach of the Professional Relationship or (ii) he has been convicted of criminal offence or (iii) he has caused material damage to the Company.If the Founder becomes a Bad Leaver, the Company may request the Founder to transfer all his Shares back free of charge. |
| Good Leaver | A Founder becomes a “**Good Leaver**” if his Professional Relationship is terminated during the Vesting Period in circumstances where he is not a Bad Leaver.If the Founder becomes a Good Leaver, the Company may request the Founder to transfer all his unvested Shares back free of charge. In addition, in such case the Company may request such Founder to transfer also his vested Shares back, but such transfer shall be made against payment of fair value for such Shares. Unvested Shares shall comprise 100% of the Founder’s Shares, in case the Founder becomes a Good Leaver before the 1st anniversary of the Effective Date and the following percentage of the Founder’s Shares, in case the Founder becomes a Good Leaver after the 1st anniversary of the Effective Date: 100 - ((1/48x100) x NM) where NM is the number of full calendar months from the Effective Date until the date on which the Founder becomes a Good Leaver.  |
| Exercise of rights  | The Company may exercise its rights under this Section “Reverse Vesting” only with the Investor Majority Consent. |
| Penalty | If the Founder delays with his obligations under this Section or relevant provisions of the Detailed Terms he shall pay to the Company, at the request of the latter, a penalty of € [     ] for each day of delay.  |
| * 1. Company’s Covenants
 |
| 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 protectedThe Company shall procure that all its agreements involving the creation of Intellectual Property for the Company shall include substantially the provisions set out in the most recent version of the model IP Assignment and License Agreement, Employment Agreement or Management Board Member Service Agreement published at [www.startupestonia.ee](http://www.startupestonia.ee). |
| Information to Investors | The Company shall provide the following information to all Investors (in the format approved by the Investor Majority):monthly financial statements – within 15 days of the end of each monthannual financial statements – within 3 months of the end of each financial yearproposed annual budget for next financial year – by 1 December of preceding financial yearinformation 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.Each Investor may examine all books and records of the Company and inspect its facilities and may request information at reasonable times and intervals concerning the Company’s financial condition and operations. |
| * 1. General
 |
| Entry into force  | The Agreement shall enter into force on the date on which the increase of the Company’s share capital under the investment agreement between the Company and certain Investors, dated [     ] is registered with the Commercial Register (*äriregister*) (“**Effective Date**”). |
| Term and termination | This Agreement shall be valid until it is terminated as set forth below:1. the Agreement shall terminate if so agreed in writing by the Company and the Shareholders’ Qualified Majority;
2. the Agreement terminates with respect to Shareholder who ceases to hold any Shares and has fulfilled all obligations relating to the transfer of Shares.

 “Shareholders’ Qualified Majority” means holders of Shares representing at least [90%] of the votes represented by all Shares, including in any event the Investor Majority. |
| Amendment  | Amendments require approval by the Company and the holders of at least [     ]% of all Shares (“**Shareholders’ Qualified Majority**”). |
| Schedules | Schedule 1: Parties and Capitalisation Table Schedule 2: New Articles Schedule 3: Business PlanSchedule 4: Form of Deed of Adherence |

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# 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). |
| “Agreement” | this shareholders’ agreement. |
| “Anti-Dilution Adjustment” | defined in Section “Anti-dilution protection” in the Outlined Terms. |
| “Articles” | articles of association of the Company.  |
| “Asset Sale” | 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 in case such Transfer is an Excluded Transaction. |
| “Bad Leaver” | defined in Section “[Reverse Vesting](#Definition_of_Bad_Leaver)” in the Outlined Terms. |
| “Business” | defined in Section [“Business and operations”](#Definition_of_Business) in the Outlined Terms. |
| “Business Plan” | defined in Section [“Business and operations”](#Definition_of_Business) in the Outlined Terms. |
| “Call Option” | defined in Section 2.13 in the Detailed Terms. |
| “Change of Control” | an acquisition or transfer of Control over a respective entity. |
| “Common Share” | notional part of common share (*lihtosa*) of the Company with a nominal value of € 1. |
| “Company” | defined in the preamble of this Agreement. |
| “Confidential Information” | defined in Section 2.16 in the Detailed Terms. |
| “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 (*väärtpaberituruseadus*). |
| “Dilutive Issue” | defined in Section “Anti-dilution protection” in the Outlined Terms. |
| “Disagreement Notice” | defined in Section 2.13 in the Detailed Terms. |
| “Drag Along Majority” | defined in Section “Drag-along” in the Outlined Terms. |
| “Effective Date”  | defined in Section “Entry into force” in the Outlined Terms. |
| “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. |
| “Excluded Transaction” | 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 *bona fide* financing transaction that is approved by the relevant governing body of the Company. |
| “Fair Value” | defined in Section 2.13 in the Detailed Terms. |
| “Founder” | a person listed as a Founder in **Schedule 1**.  |
| “Founder Holding Company” | defined in Section “Founder Holding Companies” 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 Shares reserved for future issuance under any option or similar plan of the Company.  |
| “Good Leaver” | defined in Section “[Reverse Vesting](#Definition_of_Good_Leaver)” in the Outlined Terms. |
| “Group Company” | the Company or any of its subsidiaries. |
| “Intellectual Property” | 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, topography 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. |
| “Investor” | any holder of Preferred Shares; current Investors being those named in **Schedule 1**.  |
| “Investor Director” | a Supervisory Board member appointed by any Investor or Investors. |
| “Investor Majority”, “Investor Majority Consent” and “Investor Majority Votes” | defined in Section “Investor Majority” in the Outlined Terms. |
| “Key Persons” | defined in Section “Non-solicitation” in the Outlined Terms. |
| “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. |
| “Liquidation Preference” | defined in Section “Liquidation Preference” in the Outlined Terms. |
| “Liquidity Event” | 1. dissolution of the Company;
2. merger of the Company involving a Change of Control;
3. Asset Sale; and/or
4. Share Sale.
 |
| “Management Board” | management board of the Company. |
| “Non-compete Period” | defined in Section “Non-competition” in the Outlined Terms. |
| “Non-solicitation Period” | defined in Section “Non-solicitation” in the Outlined Terms. |
| “Option Pool” | defined in Section “[Option Pool](#Definition_of_Option_Pool)” in the Outlined Terms.  |
| “Option Notice” | defined in Section 2.13 in the Detailed Terms. |
| “Party” and “Parties” | defined in the preamble of this Agreement. |
| “Preferred Share” | notional part of preferred share (*eelisosa*) of the Company with a nominal value of € 1. |
| “Professional Relationship”  | an employment relationship for unfixed term, management board member service relationship or other service relationship (*käsundussuhe*) (e.g. consultancy, advisory relationship, relationship from contract for works) between a 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 *vice versa* (even if the above involves a temporary cessation of Professional Relationship with any Group Company).The Professional Relationship shall be considered terminated also in case 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. |
| “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 Party” | person subject to the undertaking in Section “Non-competition” of the “Outlined Terms” or Section “Non-solicitation” of the “Outlined Terms”, as applicable. |
| “Restricted Territory” | defined in Section “Non-competition” in the Outlined Terms. |
| “Returned Shares” | defined in Section 2.13 in the Detailed Terms. |
| “Share” | a notional part of a share (*osa*) of the Company having a nominal value of € 1; for example, 100 Shares means a share of the Company with a nominal value of € 100. |
| “Share Capital” | share capital of the Company. |
| “Shareholder” | any holder of any Share. |
| “Shareholder Qualified Majority” | defined in Section “Term and termination” in the Outlined Terms. |
| “Share Sale” | closing of the Transfer of any Shares which 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 in case such Transfer is an Excluded Transaction. |
| “Supervisory Board” | supervisory board of the Company. |
| “Vesting Period” | defined in Section “[Reverse Vesting](#Definition_of_Vesting_Period)” in the Outlined Terms. |
| “Transfer” | sale, donation, transfer as in-kind contribution or other disposal.  |
| “Trigger Date” | defined in Section 2.13 in the Detailed Terms. |

* 1. Purpose of the Shareholders Agreement

### The purpose of this Agreement is to set forth main principles for the operation and management of the Company, Transfers of Shares of the Company as well as the Shareholders’ mutual rights and obligations as the shareholders of the Company.

* 1. Business and operations

### All transactions between the Company, on one hand, and Shareholders and Related Parties of the Company, on the other hand, shall reflect market conditions and shall be made on arm's-length terms.

### The Company shall manage its operations in compliance with high standards of quality, customer service, financial prudence and corporate ethics. The Company shall apply service policies based on the best industry practice and in compliance with applicable Laws.

### The principles of corporate governance set out in this Agreement and the Articles shall be applied, *mutatis mutandis*, to any other Group Companies.

* 1. 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 the Company’s operations in accordance with the Business Plan cannot be financed out of its revenues, the Founders shall use their reasonable efforts to raise additional equity or debt financing for the Company in one or a series of additional financing rounds.

* 1. Liquidation preference

The Parties shall not enter into any transaction for the Liquidity Event unless the relevant transaction provides that the consideration payable to the Shareholders shall be allocated in accordance with the provisions of Liquidation Preference set out in the Agreement and the Articles.

* 1. Articles

### The Articles in the form set out in **Schedule 2** (as amended from time to time) shall form an integral part of this Agreement as if each of the provisions of the Articles was a part of this Agreement, irrespective of whether the relevant version of the Articles is registered with the Commercial Register.

### Should the registrar of the Commercial Register refuse to register a version of the Articles with the Commercial Register because any provision thereof is held to be non-compliant with Laws, then the Shareholders shall replace such provision by a valid provision which shall best reflect the Parties’ original intention and shall to the maximum extent possible achieve the same economic result and the Company shall resubmit the amended Articles to the Commercial Register.

* 1. Corporate governance

### Each Shareholder agrees to vote always in such manner as shall be necessary to ensure that:

1. the composition of the Supervisory Board shall be in line with the principles agreed in Section “Supervisory Board” of the Outlined Terms;
2. no Supervisory Board member elected or appointed 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 appoint (and, if applicable, nominate) that Supervisory Board member;
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
4. upon the request of any person(s) entitled to appoint or elect a Supervisory Board member pursuant to such principles to remove such Supervisory Board member, such Supervisory Board member shall be removed.
	1. 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.

* 1. Option Pool

### The Shareholders shall take all actions necessary for the issuance of Shares to the holders of options granted from the Option Pool in compliance with the terms of options approved in accordance with the “Outlined Terms”, including increase the Share Capital and waive respective pre-emptive rights to acquire the respective Shares.

* 1. General provisions on issues and transfers of Shares

### Each Shareholder undertakes to all other Shareholders (a) to Transfer any Share only in full accordance with the terms, conditions and procedure set out in this Agreement (including the Articles) and (b) to encumber any Share with any Encumbrance only in full accordance with the terms, conditions and procedure set out in this Agreement (including the Articles).

### None of the Shareholders shall Transfer or encumber any Share with Encumbrance, nor shall the Company issue any Share, to or for the benefit of any person unless and until such person executes a deed of adherence (in the form set out in **Schedule 4**) by which it undertakes to be fully bound by the terms of this Agreement in the relevant capacity. Such deed of adherence (if it is in the form set out in **Schedule 4**) shall be signed by the Company and the new proposed Shareholder, but does not need the acceptance or signature of any other Party.

* 1. Contractual penalty for breaching Share transfer provisions

Should any Shareholder breach any of its obligations set forth in Section 2.10 or any of its obligations relating to the transfers of Shares set forth in (a) Section “Share Issues and Transfers” of the Outlined Terms or (b) the Articles, the breaching Shareholder shall pay to non-breaching Shareholders, at the request of any of them and subject to Section 2.18, a penalty for each breach in the aggregate amount set forth in subsection “Penalty” of Section “Share Issues and Transfers” of the Outlined Terms. The contractual penalty shall be divided between the non-breaching Shareholders *pro rata* to the aggregate nominal value of their Shares.

* 1. Non-competition and non-solicitation

### The obligation not to compete with the Business in Section “Non-competition” of the “Outlined Terms” includes the obligation of the Restricted Party not to, directly or indirectly, within the Restricted Territory and during the Non-compete Period, without the prior written consent of the Investor Majority, carry on or be engaged in any business competing with the Business (either alone, or jointly with, or as a shareholder, member of governing body, employee, consultant, advisor, agent or other service provider, of any person or entity, or otherwise, except holding shares in publicly listed companies up to 5% of the share capital).

### The obligation not to solicit the Key Persons in section “Non-solicitation” of the “Outlined Terms” includes the obligation of the Restricted Party not to, either on his own behalf or in any other capacity whatsoever, directly or indirectly, during the Non-solicitation Period, employ, engage or induce, or seek to induce, to leave the service of a Group Company any person who is or was a Key Person whether or not such person would commit any breach of his contract of employment or other contract by reason of so leaving the service of the Group Company or otherwise.

### Should any Restricted Party breach any of his obligations set forth in Section 2.12, the Company shall have the right to request the Restricted Party, and upon the respective request of Investor Majority the Company shall request such Restricted Party, to:

### (a) immediately terminate such breach;

### (b) surrender to the Company any revenues received in connection with such breach;

### (c) subject to Section 2.18, pay to the Company a contractual penalty for each breach in the amount set out respectively in Section “Non-competition” or Section “Non-solicitation” of the Outlined Terms; and

### (d) compensate the Company for damages caused by such breach (to the extent 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.

* 1. Reverse vesting

### If Section “Reverse Vesting” of the “Outlined Terms” provides that the Company has the right to request the Founder to transfer all or part of his Shares back to the Company (“**Call Option**”) then:

#### The date on which the Founder becomes a Bad Leaver or Good Leaver shall be the “**Trigger Date**” and the Shares which the Founder is required to transfer back under the Outlined Terms shall be the “**Returned Shares**”.

#### The Company may exercise the Call Option, and upon the respective request of Investor Majority the Company shall exercise the Call Option, by sending a notice to the Founder (with a copy to all other Shareholders) (“**Option Notice**”) within 90 calendar days after the Trigger Date.

#### 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 which shall be (a) if the transfer is free of charge: 14 days after the receipt of the Option Notice or (b) if the transfer is at the fair value of Shares (“**Fair Value**”): 14 days after the determination of Fair Value under this Section 2.13. If the Company so determines, the transfer of the Returned Shares to the Company may be executed in several consecutive transactions at an interval of up to 1 year.

#### 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 as set out above, he must send a notice (“**Disagreement Notice**”) to the Company within 7 days after the receipt of Company’s calculation of Fair Value. In such case, the Fair Value shall be determined by an independent expert appointed jointly by the Founder and the Company. In case the Parties fail to appoint such expert within 14 days after the Disagreement Notice, the expert will be appointed by the Management Board of the Estonian Private Equity and Venture Capital Association or the equivalent organization in Estonia or should the latter fail or not agree to appoint such expert within 14 days after the relevant request of the Company, then by the competent court. The Fair Value as determined by the aforementioned expert or competent court shall be final and binding on the Parties.

#### In determining the Fair Value, valuation assigned to the Company in connection with the Company’s most recent third-party equity financing may be used, if appropriate.

### If and to the extent, due to mandatory provisions of law, the Company is prevented from acquiring its own Shares under this Section 2.13, the Company may assign its rights and obligations under this Section 2.13 to the Shareholders (other than the relevant Founder) in proportion to their nominal values of Shares or in any other proportions as may be agreed between the Shareholders. For the avoidance of doubt, such assignment does not require the consent of any Party to this Agreement.

### 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 the terms and conditions set forth in this Section 2.13 and the Outlined Terms during the period of 5 years as from the Effective Date. This Section 2.13.3 constitutes a shareholders’ resolution for the purposes of Section 162(2)(1) of the Commercial Code (*äriseadustik*).

* 1. Representations and warranties

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

#### in case of a Party being legal entity, such Party 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 has full authority and power to enter into this Agreement and perform its obligations hereunder;

#### the entry into and performance of this Agreement and the consummation of the transactions contemplated herein will not result in a breach of (a), in case of a Party being a legal entity, 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 or permit or (d) any agreement or other undertaking binding on such Party.

* 1. General undertakings, no joint liability

### Each Shareholder hereby undertakes to the other Shareholders to:

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;
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
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.

### The rights and obligations of the Parties hereunder shall be several and not joint.

* 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;

#### 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;

* + - 1. without prejudice to the above, in case 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 do 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;

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 Shareholder may disclose Confidential Information (i) to its attorneys, accountants, consultants, and other professional advisors to the extent necessary to obtain their services in connection with monitoring such Shareholder’s investment in the Company; or (ii) to any existing or prospective Affiliate of such Shareholder, provided that any persons to whom the Shareholder discloses any such information shall be subject to the same confidentiality obligations as the relevant Shareholder; or (iii) in case a Shareholder is an investment fund, to any participant, unitholder, partner in or shareholder of such investment fund as well as to any professional association or other body for reporting and statistics purposes but only to the extent required for such purposes.

### The obligations set forth in this Section 2.16 shall apply to a Party as long as it is a Shareholder and during the period of 3 years after it ceases to be a Shareholder.

* 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 2.17 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 6 months after the entitled Party becomes aware of the respective breach.

* 1. Transfer of rights and obligations

### Subject to Section 2.19.2, no Party may transfer its rights and obligations under this Agreement to any person except with the prior written consent of the Company and the Shareholders’ Qualified Majority.

### Each Shareholder may transfer its rights and/or obligations under this Agreement to any person to whom such Shareholder has transferred any Shares in accordance with this Agreement and the Articles and has executed a deed of adherence in accordance with Section 2.10.2 without any consent or action of or notice to any other Party required.

* 1. Amendments

### If any amendment to the Agreement is approved in accordance with Section “Amendment” of the Outlined Terms, such amendment shall be binding on all Parties, provided only, that if the respective amendment would impose any new obligations on a Party or increase any existing obligation, the consent of the affected Party to such amendment shall be specifically required.

* 1. Entire agreement, severability, no waiver

### This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter 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 of this Agreement.

### 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 a Party in exercising any rights hereunder will not operate as a waiver of such rights. The Party 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.

* 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 by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things.

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

### 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).

### 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 legal persons 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 particular 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 finally solved in the Arbitration Court of the Estonian Chamber of Commerce and Industry in Tallinn on the basis of the regulation of the aforementioned Arbitration Court. The arbitral tribunal proceedings will be conducted in English. The arbitration will be held by one arbitrator mutually agreed upon by the Parties, and if no agreement can be reached, then by one arbitrator who is chosen by the Council of the Arbitration Court of the Estonian Chamber of Commerce and Industry.

**SCHEDULE 1**

|  |
| --- |
| **Capitalization Table on the date of signing this Agreement** |
|  |  |  |  |  |  |  |  |  |
|  | **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 the Effective Date** |
|  |  |  |  |  |  |  |  |  |
|  | **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** |   |   |   |   |   |