**OPTION AGREEMENT[[1]](#footnote-1)**

This option agreement (the **Agreement**) is signed on the Grant Date by and between:

**[Optiongiver's name]**, [legal entity code / date of birth] [...],[registeredaddress / residing at [...],e-mail address [...] (the **Optiongiver**); and

**[Optionholder's name]**, date of birth [...], residing at [...], e-mail address [...] (the **Optionholder**).

The Optiongiver and the Optionholder shall be collectively referred to as the **Parties** and each individually – as a **Party**.

This Agreement consists of (i) special outlined terms specified in Section I (the **Special Terms**) and (ii) detailed terms set out in Section 2 (the **General Terms**).

# SPECIAL TERMS

|  |  |
| --- | --- |
| * 1. Option | |
| Grant Date | [OPTION 1:] [insert the date on which this Agreement is signed].  [OPTION 2:] [date of the last digital signature given upon signing this Agreement]. |
|  |  |
| Total number of Shares underlying the Option | [...] ([...]) Shares. The Optionholder agrees that the share capital of the Company may change after the Grant Date and that the Optionholder is not protected against dilution. |
|  |  |
| * 1. Vesting | |
| Vesting Start Date | [The first day of calendar month immediately following the Grant Date.] |
|  |  |
| Vesting | Vesting Period: [...] ([...]) from the Vesting Start Date.  [...]% ([...] per cent) of the Shares shall vest on the 1st anniversary of the Vesting Start Date.  The remaining [...] % ([...] per cent) of the Shares shall vest in equal monthly instalments over the following [...] ([...]) years so that all Shares shall become fully vested on the [...]th anniversary of the Vesting Start Date[[2]](#footnote-2). |
|  |  |
| Acceleration | [OPTION 1:] [No acceleration[[3]](#footnote-3).][OPTION 2:] [Acceleration on Exit[[4]](#footnote-4).] |
|  |  |
| * 1. Exercise | |
| Exercise of Option | The Option may be exercised only in any of the following circumstances[[5]](#footnote-5):   1. upon Exit or Liquidation; 2. after [insert date that is at least [...] ([...]) years of the Grant Date][[6]](#footnote-6); 3. upon death of Optionholder.   The specific Exercise Period applicable to each such situation is set out in Section 4, 5 and 7 below. |
|  |  |
| Exercise Price | [...] EUR ([...] euros) per Share, i.e. [...] EUR ([...] euros) for all Shares in total. |
|  |  |
| * 1. Shares |  |
| Voting rights | [OPTION 1:] [Voting Share.][OPTION 2:] Non-Voting Share.] |

# general terms

# Definitions

* 1. In this Agreement, unless expressly otherwise stated or evident in the context, capitalised terms and expressions have the meanings set forth in Annex 1 to this Agreement.

# Transferability

* 1. The Option is personal to the Optionholder and is not transferable (except under the laws of inheritance) nor capable of being encumbered. Upon any purported transfer or encumbrance the Option shall terminate.
  2. The Option shall also terminate in case bankruptcy is declared (or the equivalent decision is made in any relevant jurisdiction) in respect of the Optionholder.

# Vesting and acceleration

* 1. The Shares underlying the Option shall vest as set out in Clause 1.2 (“Vesting”) of the Special Terms. “Vested Shares” refers to the number of Shares with respect to which the Option has become exercisable.
  2. Vesting shall be suspended for the period of the leave of absence of the Optionholder to the extent such leave exceeds, in any rolling [12 ([...]) month period, 56 ([...]) calendar days]. In such case, the Vesting Period will be extended by the length of the suspension. In this clause, “leave of absence” includes any leave of absence for any reason, including annual base leave, leave without pay, sick leave, maternity leave, paternity leave, childcare leave etc.
  3. If Clause 1.2 (“Acceleration”) in the Special Terms provides for Acceleration on Exit, then, upon the occurrence of an Exit, the vesting and exercisability of the Option shall accelerate such that [...]% ([...] per cent) of the Shares then unvested shall become vested and exercisable.
  4. If “No Acceleration” is specified in Clause 1.2 (“Acceleration”) of the Special Terms, there shall be no acceleration of vesting upon the Exit.
  5. Upon the occurrence of Exit, the Optiongiver may, at its sole discretion, decide that the Optionholder may exercise the Option also with respect to all or part of the unvested Shares.

# Bad and Good Leaver

* 1. If the Optionholder becomes a Bad Leaver, the Optionholder’s Option shall terminate with respect to both vested and unvested Shares. If the Bad Leaver has acquired any Shares under the Option, the Optiongiver may exercise its repurchase right and request the Optionholder (or, for the avoidance of doubt, Optionholder’s successors) to transfer all such Shares back to the Optiongiver (the Repurchase Right) for the same price as the Optionholder acquired the Shares under the Option. In such case the Repurchase Right shall be exercised following the procedure set out in Section 11 of this Agreement, as applicable in case of the Optionholder becoming a Bad Leaver. Upon such request of the Optiongiver, the Optionholder has an obligation to transfer all the Shares under the Option back to the Optiongiver.
  2. If the Optionholder becomes a Good Leaver, the Optionholder’s Option shall terminate with respect to unvested Shares.
  3. The Good Leaver may exercise the Option with respect to vested Shares on the terms set out in Clause 1.3 (the Exercise of Option) of the Special Terms, except in case the Optiongiver sends the Optionholder a notice setting out a fixed Exercise Period (which period must be at least [30] ([...]) days and start no later than [...] ([...]) years after the Optionholder becomes a Good Leaver), in which case Clause 1.3 shall not apply and the Good Leaver may exercise the Option only during such fixed Exercise Period (following which the Option, to the extent not exercised, shall terminate).
  4. If the Good Leaver has acquired Shares under the Option, the Optiongiver may exercise its Repurchase Right[[7]](#footnote-7) and request the Optionholder to transfer such Shares back against payment of Fair Value for such Shares. In such case, the Repurchase Right shall be exercised following the procedure set out in Section 11 of this Agreement, as applicable in case of the Optionholder becoming a Good Leaver. Upon such request of the Optiongiver, the Optionholder has an obligation to transfer all the Shares under the Option back to the Optiongiver.

# Death of Optionholder

* 1. If the Optionholder dies at any time during the Optionholder’s Professional Relationship the Option shall be exercisable with respect to the Shares vested at the time of the Optionholder’s death by the Optionholder’s successors during the period of [12 ([...]) months] of the Optionholder’s death (such period being the Exercise Period). Upon the expiry of this Exercise Period, the Option, to the extent vested but not been exercised, shall terminate.

# 

# Exercise after certain date

* 1. If the Special Terms provide that the Option may be exercised after a certain date, the Optionholder may exercise the Option at any time during the period starting from such date until the [10th] ([...]) anniversary of the Grant Date (such period being the Exercise Period).
  2. Notwithstanding Clause 6.1, the Optiongiver may, at its sole discretion, by submitting a respective notice to the Optionholder, determine that the Option may be exercised only during certain times in each year within the period set out in Section 6.1, provided that there is at least one 30-day period each year available for such exercise (in which case only any period so determined by the Optiongiver shall be the Exercise Period).

# 

# Exit and Liquidation

* 1. This Section 7 applies if, according to the Special Terms, the Option may be exercised upon Exit and Liquidation.
  2. The Optiongiver shall notify the Optionholder of a proposed Exit in the form of Share Sale at least [14 ([...]) days] before the proposed completion of Exit or as soon as practicable after its completion. The Optionholder may exercise the Option during the period of [7 ([...]) days] from the receipt of such notice (such period being the Exercise Period). If the Optiongiver becomes aware that the proposed Exit will not be completed or the Exit is reversed, the Optiongiver shall return the option exercise notice and amounts paid in connection therewith (if any) to the Optionholder and no exercise of Option shall be treated as having occurred in connection with such Exit.
  3. The Optiongiver shall notify the Optionholder of proposed Exit in the form of Asset Sale as soon as practicable after its completion. The Optionholder may exercise the Option during the period of [30 ([...]) days] from the receipt of such notice (such period being the Exercise Period).
  4. The Optiongiver shall notify the Optionholder of the occurrence of Liquidation, i.e. adoption of resolution for the voluntary winding up of the Company. The Optionholder may exercise the Option during the period of [30 ([...]) days] from the receipt of such notice (such period being the Exercise Period).
  5. Upon the expiry of the relevant Exercise Period set forth in Clauses 7.2-7.4 the Option, to the extent vested but not been exercised, shall terminate. With respect to the unvested Shares the Optiongiver may, at its sole discretion, determine that:

### Option will terminate in full upon the completion Exit or Liquidation; and / or

### all or part of the Option will not terminate and survive the Exit; and / or

### all or part of the Option will be substituted with a new option or similar instrument(s) by the person who is the acquiring party in the Exit or a company belonging to its group; and / or

### 

### all or part of the Option will be cancelled in exchange for a payment to the Optionholder equal to the excess of (i) the fair value of the unvested Shares underlying such Option as of the closing date of the Exit or the Liquidation over; (ii) the Exercise Price to be paid for such Shares.

The Optiongiver may make any determination under this Clause 7.5.4 without the consent of the Optionholder and such determination need not treat all optionholders in an identical manner.

# Procedure for exercise of Option

* 1. An Option may be exercised only with respect to vested Shares, only during the Exercise Period and only by the relevant Optionholder or, upon the Optionholder’s death, by the Optionholder’s successors.
  2. An Option may not be exercised for a fraction of a Share. If the Option which has become exercisable would entitle the Optionholder to acquire a fraction of a Share then, upon the exercise of such Option, the nominal value will be rounded down to the nearest whole number and respective fractions will be added to the Option that becomes exercisable in the future.
  3. In order to exercise an Option, the Optionholder shall take the following actions in relation thereto:

### the Optionholder shall deliver to the Optiongiver a notice in the form set out in Annex 2 duly completed and signed by the Optionholder together with the copy of this Agreement;

### the Optionholder shall pay to the Optiongiver an amount equal to the aggregate Exercise Price for the number of Shares over which the Option is to be exercised or make such arrangements for such payment as the Optiongiver shall permit;

### the Optionholder shall pay to the Optiongiver any tax liability if and as required under Section 10 or make such arrangements for such payment as the Optiongiver shall permit;

### if requested by the Optiongiver, the Optionholder shall join a shareholders’ agreement in effect between the Company and / or its shareholders, an option programme established by the Company, a set of undertakings (including an undertaking agreeing to a drag-along right of the majority shareholders, founders, investors or other group of shareholders of the Company (jointly the **Dragging Shareholders**), whereby the Optionholder assumes an obligation to transfer its Shares together with the Dragging Shareholders to the proposed acquirer on similar terms and at same price as the Dragging Shareholders) or other similar document, as determined by the Optiongiver, by signing a deed of adherence, undertaking or similar document in the form acceptable to the Optiongiver;

### the Optionholder shall enter into an escrow agreement or other document in connection with any arrangement necessary for the Exit if and as required under Clause 9.2, or shall issue a power of attorney to the Optiongiver for representing the Optionholder in all issues related to the Exit;

### the Optionholder shall take such other actions that the Optiongiver may reasonably request for the acquisition of relevant Shares, e.g. submit relevant instruction to the Optionholder’s securities account manager, if required.

* 1. An Option is considered validly exercised only if all actions specified in Clause 8.3 have been duly taken. The Optiongiver shall provide the Optionholder, at the Optionholder’s request, relevant information necessary to take such actions.

# Issue or transfer of Shares

* 1. The Optiongiver shall take actions to issue or transfer the Shares in respect of which the Option has been validly exercised to the Optionholder within [30 ([...]) days] following the effective date of exercise of the Option.
  2. If the Option is exercised in connection with an Exit in the form of a Share Sale or a Liquidation, the Optiongiver shall take actions to ensure that the Shares in respect of which the Option has been validly exercised will be transferred or issued to the Optionholder immediately before the completion of the Exit or Liquidation or, at its discretion, make such other arrangements that would put the Optionholder in the position the Optionholder would have been, had the Optionholder been the registered owner of the relevant Shares immediately before the completion of Exit or Liquidation.
  3. Option Shares shall be subject to the same liquidation preference as shares of the Company’s founders.
  4. The Optionholder shall become the owner of Shares when the Optionholder is registered as such owner in the relevant personal securities account opened at the name of the Optionholder (as maintained by the Company itself or a securities account manager). Until such time, the Optionholder has no right to vote (if such rights granted) or receive dividends or any other rights in connection with the Share, notwithstanding the exercise of the Option.
  5. If Clause 1.4 (“Shares”) of the Special Terms provides for Non-Voting Share of the Company (as decided by the Optiongiver at its sole discretion), this Agreement shall be also deemed an agreement on transfer of voting rights, i.e. the Optionholder shall not have the voting rights at the shareholders meetings of the Company. In such event the Optionholder hereby acknowledges and agrees that all the voting rights granted by any Shares acquired by the Optionholder upon exercise of its Option shall be unconditionally and irrevocably transferred to the Optiongiver as of the moment of acquisition of such Shares by the Optionholder and for the maximum period allowed under applicable laws. The Optionholder also acknowledges and agrees that Optiongiver will use the transferred voting rights and vote at its sole discretion as well as all the obligations of the Company and/or other shareholders in relation to the General Shareholders’ Meeting and voting shall be performed towards the Optiongiver. This special Clause 9.5 shall be considered as the agreement on transfer of voting rights as specified in Article 2.89 of the Civil Code of the Republic of Lithuania.

# Tax matters[[8]](#footnote-8)

* 1. If in relation to the exercise of the Option or payment of compensation under Section 11.2, the Optiongiver or any Group Company becomes liable, or is in accordance with current practice believed to become liable, for any taxes, including, without limitation, personal or corporate income tax, social tax and other employment related taxes, (a) the Optionholder shall pay to the Optiongiver or the relevant Group Company a sum equal to such tax liability immediately upon the receipt of written notice that specifies the amount of such liability; or (b) a sum equal to such tax liability shall be withheld from any payment made to the Optionholder under this Agreement.

# Call option

* 1. If the Special Terms or any other part of this Agreement provide that the Optiongiver has a Repurchase Right to request the transfer of all or part of the Optionholder’s Shares acquired under the Option (the Option Shares) back to the Optiongiver (the Call Option) then:

### The date on which the Optionholder becomes a Bad Leaver or Good Leaver shall be the **Trigger Date**.

### The Optiongiver may exercise the Call Option by sending a notice to the Optionholder (the **Option Notice**) within [90([...])] calendar days after the Trigger Date.

### If the Optiongiver exercises the Call Option, the Optionholder shall take all actions requested by the Optiongiver to transfer such Shares to the Optiongiver within a period which shall be (a) if the transfer is at the acquisition value: [14 ([...]) days] after the receipt of the Option Notice; or (b) if the transfer is at the fair value of Shares (the **Fair Value**): [14 ([...]) days] after the determination of Fair Value under this Section 11.

### The Fair Value shall be determined in good faith by the Optiongiver. If the Optionholder does not agree with the Fair Value determined by the Optiongiver as set out above, the Optionholder must send a notice (the **Disagreement Notice**) to the Optiongiver within 7 (seven) days after the receipt of Optiongiver’s calculation of Fair Value. In such case, the Fair Value shall be determined by an independent expert appointed jointly by the Optionholder and the Optiongiver. In case the Parties fail to appoint such expert within [14 ([...]) days] after the Disagreement Notice, the independent expert who shall determine the Fair Value will be appointed by any of BIG4 audit firm chosen by the Optiongiver and the Optionholder acting in good faith together. The Fair Value as determined by the aforementioned expert shall be final and binding to the Parties. The cost of the aforementioned expert shall be paid by the Party in whose favour the Fair Value is determined.

### 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.

### The Optiongiver may assign its rights under the Call Option in whole or in part to any shareholders of the Company (other than the respective Optionholder who has the obligation to transfer the Shares). Such assignment does not require the consent of the Optionholder.

### 

* 1. If the Special Terms provide that the Optiongiver has the right to request a Good Leaver to transfer the Optionholder’s Shares acquired under the Option back to the Optiongiver, but the Optionholder becomes a Good Leaver before exercising the Optionholder’s Option and, accordingly, has not acquired any Shares, the Optiongiver has a right to cancel such Option, against payment by the Optiongiver of a fair compensation for such Option. The fair compensation shall be equal to the Fair Value of the vested Shares underlying such Option as determined in accordance with Clause 11.1.
  2. If the Optionholder (or the Optionholder’s successor(s)) breach the obligation to transfer all or part of the Option Shares under Clause 11.1 back to the Optiongiver against the final and binding Fair Value of the Option Shares determined as provided in Clause 11.1, (a) the Optionholder shall pay to the Optiongiver a contractual penalty in the amount of [...] ([...] per cent) of the Fair Value (regardless of whether the transfer is free of charge or at the Fair Value) per each day the breach is continuing; or (b) the Optiongiver shall have the right to sign, submit and receive all and any documents and perform all and any actions on behalf of both the Optiongiver and the Optionholder in order to unilaterally formalize and implement such transfer of all or part of the Option Shares back to the Optiongiver from the Optionholder (or the Optionholder’s successor(s)). For the purposes of item “b” above, the Optionholder agrees and declares that this Agreement shall be considered as a proper, valid and irrevocable power of attorney from the Optionholder to the Optiongiver to perform all such necessary aforesaid actions. Such power of attorney shall be valid from conclusion of this Agreement and for the period equal to the Vesting Period plus 1 (one) calendar year.
  3. The rights and obligations of the Optiongiver and Optionholder (or the Optionholder’s successor(s)) under Section 11 and Clauses 4.1 as well as 4.4 herein shall constitute a final and binding agreement and shall be enforceable by and against the Parties.

# Corporate events

### 

* 1. In the event of merger, division, reorganization or other corporate event affecting the Shares the Optiongiver may make at its discretion such adjustments to the number and type of securities underlying the Option as well as the Exercise Price as it in good faith considers appropriate in order to preserve (and to avoid enlargement or dilution of) the benefits or potential benefits intended to be made available to the Optionholder under this Agreement. Without prejudice to the above, in the event the Company merges with another company so that the Company will not be surviving company, the Optiongiver may at its sole discretion: (i) replace the Option with the option to the shares of such surviving successor company; or (ii) decide that the Option is deemed fully or partly vested and may be exercised immediately prior to the completion of the merger.
  2. In the event of a transaction whereby a company (the New Company) acquires all shares in the Company (the Old Shares) in consideration for the issuance of shares in the New Company (the New Shares) to the holders of Old Shares in proportion to their existing holdings (the Flip), the Optiongiver shall have the right to replace the Option to acquire the Shares (the Old Option) with a new option (the New Option) which is equivalent to the Old Option but relates to shares in the New Company so that the total amount payable by the Optionholder for the acquisition of shares under the New Option is equal to the total amount that would have been payable by the Optionholder for the acquisition of Shares under the Old Option.
  3. The Optiongiver shall notify the Optionholder of any adjustment or replacement made under this Section 12 as soon as reasonably possible.

# Termination of Option

* 1. In each case this Agreement sets out an Exercise Period applicable for the exercise of the Option in certain circumstances, the Option, to the extent not exercised during such Exercise Period, shall terminate.
  2. In any case the Option (to the extent not terminated earlier) shall terminate on the [10th] ([...]) anniversary of the Grant Date.

# No effect on employment or service

* 1. The Agreement shall not confer upon the Optionholder any right with respect to continuation of the Professional Relationship with any Group Company, nor shall it interfere in any way with the right of the Optionholder or the relevant Group Company to terminate the Professional Relationship at any time.

# Amendment

* 1. The Optiongiver shall have the right to unilaterally make amendments and additions to the Agreement, except in case this would adversely affect the existing rights of the Optionholder in which case such amendment may be made only with the written consent of the Optionholder.

# Conflicts between the terms

* 1. If there is a conflict between the General Terms and the Special Terms, the Special Terms shall prevail.

# Data processing notice

* 1. The Optionholder is aware that the Optiongiver and the Company processes the following personal data for the purposes of administering this Agreement and carrying out the Optiongiver's obligations arising from hereunder: name and other details of the Optionholder and data concerning vesting and exercise of the Option.

# Notices

* 1. Any communication hereunder shall be made in writing in the Lithuanian and / or English language to the contact details indicated in the preamble of this Agreement and shall be considered to have been duly given or made when delivered by registered mail or courier or handed over against signature or sent by email.

# Final and binding agreement

* 1. The Parties expressly state that the Option, Call Option and other similar arrangements provided under this Agreement shall always be considered as a final and binding undertaking and a non-revocable offer to sell the Shares (not a preliminary agreement) among them.

# Applicable law and settlement of disputes

* 1. The Agreement shall be governed by the laws of the Republic of Lithuania.
  2. Any dispute arising out of or in connection with this Agreement shall be finally settled by arbitration in Vilnius Court of Commercial Arbitration in accordance with its Arbitration Rules. The number of arbitrators shall be three. The venue of arbitration shall be Vilnius, Lithuania. The language of arbitration shall be English. In case the Parties to the dispute do not appoint an arbitrator in a timely manner, the arbitrator (including the chairman) shall be appointed by the Chairman of Vilnius Court of Commercial Arbitration.

# PARTIES’ SIGNATURES:

|  |  |
| --- | --- |
| **On behalf of the Optiongiver:** | **The Optionholder:** |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [*Name, surname, signature*] | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [*Name, surname, signature*] |

**ANNEX 1 - DEFINITIONS**

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

|  |  |
| --- | --- |
| **Bad Leaver** | The Optionholder becomes a **Bad Leaver** if the Optionholder voluntarily resigns or the Optionholder’s Professional Relationship is terminated for Cause, in each case during the Vesting Period, unless the Optiongiver determines that, irrespective of the above, the Optionholder is not a Bad Leaver.  **Voluntary resignation**[[9]](#footnote-9) means the unilateral termination of the Professional Relationship by the Optionholder which is not caused by (i) Company’s material breach of the Professional Relationship; or (ii) Optionholder’s permanent inability to perform duties under the Professional Relationship due to health reasons (including in case of death).  **Termination for Cause** means termination of the Professional Relationship in circumstances where (i) the Optionholder has committed a material breach of the Professional Relationship; or (ii) the Optionholder has been convicted of criminal offence; or (iii) the Optionholder has caused material damage to the Company. |
|  |  |
| **Company** | [...], a private limited liability company operating under the laws of the Republic of Lithuania, legal entity code [...],registeredaddress [...],e-mail address [...]. |
|  |  |
| **Exercise Period** | period during which the Option is capable of being exercised. |
|  |  |
| **Exercise Price** | price payable for the Shares upon the exercise of the Option, as stated in Special Terms. |
|  |  |
| **Exit** | 1. the closing of the transfer of all or substantially all the Group Companies assets (including intellectual property rights), or the granting of an exclusive license over all or substantially all the intellectual property rights of the Group Companies (the **Asset Sale**); and/or 2. the 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 (the **Share Sale**),   irrespective of whether any of the above-described transactions is effected by sale, in-kind contribution, donation or otherwise and irrespective of whether it is effected in one transaction or series of related transactions, except in case, the sole purpose of any such transaction is to:   1. 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 2. obtain funding for the Company in a *bona fide* financing transaction that is approved by the relevant governing body of the Company. |
|  |  |
| **Control** | means any control of an entity through (i) directly or indirectly holding more than 1/3 of voting rights in the entity (regardless of the amount of shares held) or (ii) directly or indirectly having the right to appoint the majority of the members of the supervisory board, the management board, the general director (CEO) or other corresponding body of the entity or of a body with such power of appointment, or (iii) ability to otherwise exercise decisive influence on the legal entity, as such influence is defined in the Law on Companies of the Republic of Lithuania. |
| **Good Leaver** | The Optionholder becomes a **Good Leaver** if the Optionholder’s Professional Relationship is terminated during the Vesting Period in circumstances where the Optionholder is not a Bad Leaver. |
|  |  |
| **Grant Date** | date of signing of the Agreement, as stated in the Special Terms. |
|  |  |
| **Group Company** | the Company or any of its subsidiaries. |
|  |  |
| **Liquidation** | adoption of a resolution for the voluntary dissolution of the Company. |
|  |  |
| **Option** | right to acquire Shares under the Agreement. |
|  |  |
| **Agreement** | this option agreement between the Optiongiver and the Optionholder; the terms “Optiongiver” and “Optionholder” being defined in the preamble of such agreement. |
|  |  |
| **Professional Relationship** | an employment relationship, management board member service relationship or other service relationship (e.g. consultancy, advisory relationship, relationship from contract for works) between the Optionholder, on one hand, and any Group Company, on the other hand. The Professional Relationship of an Optionholder shall not be treated as terminated if such Professional Relationship is transferred from one Group Company to another or if the status of the Optionholder 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 not be treated as terminated until such time as the Optionholder does not have 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. |
|  |  |
| **Share** | a book-entry ordinary registered share of the Company having a nominal value of [...] EUR ([...] euro). |
|  |  |
| **Vesting Period** | defined in the Special Terms. |
|  |  |
| **Vesting Start Date** | defined in the Special Terms. |

**ANNEX 2 – FORM OF OPTION EXERCISE NOTICE**

*\*\*\*The beginning of the form\*\*\**

**OPTION EXERCISE NOTICE**

**To:** **[details of the Optiongiver]**

(the **Optiongiver**)

|  |  |
| --- | --- |
| Optionholder’s name and date of birth: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |
| Optionholder’s address: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |
| Grant Date: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |
| Date of this notice: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |
| Number of Shares in respect of which the Option is exercised: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |
| Total Exercise Price payable: | EUR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

The Optionholder hereby exercises the Option for such number of Shares as set forth above in accordance with the enclosed Agreement.

This notice shall take effect only upon receipt by the Optiongiver. Terms defined in the Agreement have the same meaning in this Option Exercise Notice.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of the Optionholder

*\*\*\*The end of the form\*\*\**

1. NOTE TO DRAFT: If the Option is granted for shares in Lithuanian closed joint stock company (UAB) and the option shares will constitute 25% or more of total share capital or if the exercise price will be over EUR 14,500, implementation of the transaction stipulated in this Agreement by transfer of already issued Shares will require transferring the accounting of the company’s shares to an outside securities accounts manager or concluding the share purchase transaction, implementing the Agreement, in a notarized share sale and purchase agreement. [↑](#footnote-ref-1)
2. NOTE TO DRAFT: This type of vesting period is common market practice, however, it is not the only available option. Different type of vesting schedules can be agreed. However, the regulation of the SHA should be followed. If certain vesting schedule is agreed in the SHA, then agreeing on different vesting schedule may require consent from the shareholders or the board. [↑](#footnote-ref-2)
3. NOTE TO DRAFT: Should be used in most cases. [↑](#footnote-ref-3)
4. NOTE TO DRAFT: An acceleration on Exit is used less often due to the chance that an Exit situation could cause a general leaving of qualified staff and could cause uncertainty to the potential purchaser. Therefore, please consider carefully, whether to use this type of acceleration option for certain employees. Could be used for example regarding employee whose goals are set related to exit. [↑](#footnote-ref-4)
5. NOTE TO DRAFT: In order to exercise the Option, it is also necessary to perform the actions provided for in the Law on Companies of the Republic of Lithuania, depending on whether new shares are issued or the Company's own shares are transferred. [↑](#footnote-ref-5)
6. NOTE TO DRAFT: In order for the option to qualify for a tax exemption in Lithuania (if the shares under the Agreement are acquired by the Optionholder at a discount to market value), the following conditions must be met: 1) the shares shall be received by employee not earlier than 3 years following the Grant Date, and 2) at the date of the ownership transfer of shares, the share grantor (the Company) should be either an employer of the Optionholder or a related party to the Optionholder’s employer. Also, it should be noted that the tax exemption is applicable only to employees (i.e. no tax relief is applicable to stock options held by management board members or service providers acting under the service agreements). [↑](#footnote-ref-6)
7. NOTE TO DRAFT: inclusion of the Repurchase Right is optional. If it is decided to include such repurchase right, the Optiongiver’s right to exercise it may be limited in time (see clause 11.1.2). [↑](#footnote-ref-7)
8. NOTE TO DRAFT: chosen type and terms of option might imply application of special tax benefits, so please check it with local tax advisors with due care. [↑](#footnote-ref-8)
9. NOTE TO DRAFT: applicability of Bad Leaver provisions in case of the Optionholder’s voluntary resignation is optional and may be subject to the Company’s and the employee’s negotiations. [↑](#footnote-ref-9)