**SHAREHOLDERS’ AGREEMENT**

BETWEEN

**THE SHAREHOLDERS**

OF

**[INSERT COMPANY NAME]**

**[INSERT DATE]**

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This Shareholders’ Agreement (the **Agreement**) is executed on [\_\_\_] by and between:

1. **[\_\_\_]**, personal code [\_\_\_], residing at [\_\_\_] (the **Founder 1**), and his spouse **[\_\_\_]**, personal code [\_\_\_], residing at [\_\_\_];
2. **[\_\_\_]**, personal code [\_\_\_], residing at [\_\_\_] (the **Founder 2**), and his spouse **[\_\_\_]**, personal code [\_\_\_], residing at [\_\_\_];
3. **[\_\_\_]**, personal code [\_\_\_], residing at [\_\_\_] (the **Founder 3**), and his spouse **[\_\_\_]**, personal code [\_\_\_], residing at [\_\_\_];

(hereinafter the parties under Sections (a) to (c) each individually the “**Founder**” and jointly the “**Founders**”);

1. **[\_\_\_]**, a limited liability company being established and registered under the laws of [\_\_\_], legal entity code [\_\_\_], with its registered address at [\_\_\_] (the **Investor 1**), represented by [\_\_\_], acting in accordance with [\_\_\_];
2. **[\_\_\_]**, a limited liability company being established and registered under the laws of [\_\_\_], legal entity code [\_\_\_], with its registered address at [\_\_\_] (the **Investor 2**), represented by [\_\_\_], acting in accordance with [\_\_\_];
3. **[\_\_\_]**, a limited liability company being established and registered under the laws of [\_\_\_], legal entity code [\_\_\_], with its registered address at [\_\_\_] (the **Investor 3**), represented by [\_\_\_], acting in accordance with [\_\_\_];

hereinafter the parties under Sections (d)-(f) each individually the “**Investor**” and jointly the “**Investors**”;

1. **[\_\_\_]**, a limited liability company being established and registered under the laws of [\_\_\_], legal entity code [\_\_\_], with its registered address at [\_\_\_] (the **Company**), represented by [\_\_\_], acting in accordance with [\_\_\_].

The Founders and the Investors are hereinafter collectively referred to as the “**Shareholders**” and each separately as the “**Shareholder**”. The Founders, the Investors and the Company are collectively referred to as the “**Parties**” and each separately as the “**Party**”. For the avoidance of doubt, when this Agreement provides for specific undertakings or rights of the Founders and such undertakings/rights are logically inseparably related to the specific respective person(-s), such undertakings/rights of the respective Founders are understood hereunder as imposed/granted on/to the respective Founders without including the persons indicated as their spouses hereinabove.

Recitals

1. On the date of execution of this Agreement the Parties have concluded the Investment Agreement related to investments into the Company (the **Investment Agreement**);
2. The Parties hereby intend to agree on the principles and procedure for the management of the Company and to determine the procedure for the disposal of the Company’s Shares as well as other related issues.

# DEFINITIONS

## Wherever used in this Agreement, including its Recitals, the capitalized terms shall have the meanings assigned to them in Schedule 1 or other Sections of this Agreement.

# Subject Matter

# Purpose of the Agreement

## The main purpose of this Agreement is to agree on the principles and procedures for the governance of the Company and to establish the terms and conditions of the disposal of the Shares in the Company, as well as certain other aspects.

## Throughout the period of this Agreement, the Parties shall make every effort to act in the best interest of the Company and shall ensure that the Company develops the Business.

# Business

## During the term of this Agreement, the Company shall be engaged in the business of [\_\_\_] (the Business).

## The Company shall pursue the Business in good faith with the aim to maximize the value of the Shares, exercising reasonable efforts and due care, procure that the Business is properly managed, use all reasonable endeavours to comply with all Applicable Laws, and maintain all licenses, consents and authorities whatsoever which are required or necessary to carry on the Business from time to time, provided that a legitimate business failure shall not constitute a breach hereunder.

# Market Conditions

## All transactions between the Company and the Shareholders or their Affiliated Persons shall be concluded only at the market price and on an arm’s length basis. Each Shareholder which directly or through its Affiliated Persons enters into a transaction with the Company, upon a request of the other Shareholder, shall be obliged to prove that the transaction was concluded under the market conditions and that it did not receive any unusual benefits from such transaction.

## The Parties agree that in the event any Shareholder directly or indirectly through its Affiliated Persons receives from the Company any financial benefits, it shall be treated as a material breach of this Agreement, except (i) when it is approved by the Management Board, or (ii) under the employment or advisory agreements, approved by the Management Board, or (iii) through the distribution of Company’s profit in compliance with the Agreement.

# Allocation of Shares

## As of the Signing Date, the capital structure of the Company and the allocation of the Shares among the Shareholders is as specified in Part I of Schedule 2. As of the Effective Date, the capital structure of the Company and the allocation of the Shares among the Shareholders is as specified in Part II of Schedule 2.

# Corporate Governance

# Structure and Governance Principles

## The corporate governance structure of the Company shall consist of the General Meeting of Shareholders, the Management Board and the CEO.

## The Shareholders agree to act, and to ensure that the members of the Company’s management bodies nominated by them shall act, in the best interests of the Company following the provisions laid down in this Agreement. Each Shareholder shall take all necessary steps to ensure the implementation of the provisions laid down in this Agreement, including:

1. shall use voting and other rights granted by the Shares so as to ensure the implementation of the provisions laid down in this Agreement;
2. shall ensure that the members of the Company’s management bodies nominated by the Shareholder shall use their voting and other rights so as to ensure the implementation of the provisions laid down in this Agreement;
3. shall attend the General Meeting of Shareholders and shall ensure that the members of the Company’s Management Board nominated by the Shareholder attend Management Board meetings and vote on decisions.

## The Parties, both directly and indirectly through their nominated members of the management bodies of the Company, shall put their best reasonable efforts to ensure that the Business is carried out in a manner enabling the Company to comply with the Budget approved by the Management Board as well as properly and on time implementing the decisions of the Company’s bodies.

## In the event a member of the Company’s management bodies violates the provisions of this Agreement, the Shareholders having nominated such member shall be held responsible for such breach.

## The Founders and the members of the management bodies must follow the duty of care, loyalty, avoiding conflicts of interest, fairness, reasonability and other duties. The Shareholders undertake to nominate as members of the management bodies of the Company only persons, who, to the best knowledge of the Shareholders, are of good repute who hold appropriate qualifications and experience for their position and the functions assigned to them and who have not been convicted for criminal or financial crime.

## In the interest of effective and efficient management of the Company, the Shareholders and the Company shall make reasonable efforts to ensure, to the extent reasonably required, possible and legally allowed, that the Company’s employees are hired from a range of highly qualified persons having impeccable reputation and appropriate experience.

## The Shareholders agree that the provisions of this Agreement with respect to adoption of Reserved Matters establish measures of protection of the rights of the Investors as minority shareholders as agreed by the Shareholders. Therefore, the Parties agree that the protection measures of such minority shareholders’ rights shall not entitle the Founders to seek for a forced sale of the Founders’ Shares or a forced acquisition of the Investors’ Shares under any Applicable Laws, including Chapter IX of the Second Book of the Civil Code or to seek for any other protection measures.

## Decision-Making

## The Company and the Shareholders undertake not to adopt decisions and not to conclude transactions specified in Schedule 3 (the Reserved Matters), unless approved or voted “in favour” by (i) both the required majority under the Law on Companies and the Investors’ Majority, if the Reserved Matter is that of the General Meeting of Shareholders (ii) the majority of the Management Board members as required by the Law on Companies and the member of Management Board nominated by the Investors, if the Reserved Matter is that of the Management Board.

# General Meeting of Shareholders

## The General Meeting of Shareholders shall have the competence established in the Law on Companies, except as otherwise provided in this Agreement.

## The General Meeting of Shareholders may take place only if all Investors are properly notified to such a meeting. In case the General Meeting of Shareholders is held without the proper invitation of the Investors, the General Meeting of Shareholders shall be deemed to be invalid.

## Any decision of the General Meeting of Shareholders on any issue shall be considered adopted if the number of votes required under the Law on Companies is cast in favour. Reserved Matters shall require the approval as provided in Section 4.8.

## The General Meeting of Shareholders may be convened at the request of any of the Shareholders [or group of Shareholders holding at least [5%] of the Shares in the Company]. The Shareholder(s) that requests to convene the General Meeting of Shareholders must submit the request to the Chairman of the Management Board, who must convene such a meeting within 14 days from the receipt of the request. A notice regarding the convocation of the General Meeting of Shareholders (as established in the Law on Companies) shall be made in writing not later than 21 days prior to the scheduled date of the meeting (unless all Shareholders agree in writing on the earlier convocation date). The notice may be sent via e-mail (provided that the addressee confirms the receipt of the e-mail), registered mail, delivered in person, via courier, confirming the receipt of the letter, via public notary or bailiff (other modes of delivery are not suitable). Not later than on the same date access shall be granted to the drafts of the planned decisions and other information regarding the issues on the agenda.

## The General Meeting of Shareholders may also be held via phone, video conference or remote communication platforms. The General Meeting of Shareholders shall be properly documented in the minutes of the meeting. After each General Meeting of Shareholders, the Company shall provide a copy of the Minutes to all the Shareholders.

# Management Board

## The Management Board shall consist of [3] members appointed for the term of 4 years in accordance with the Applicable Laws and this Agreement. The Parties agree that the Management Board shall always consist of at least the following members:

1. [2] members of the Management Board nominated by Founders;
2. [1] member of the Management Board nominated by the Investors’ Majority.

## The Parties agree to provide 1 seat in the Management Board for non-voting observer to be nominated by [\_\_\_]. The observer shall sign a reasonable non-disclosure agreement prior to commencement of its activities in the Management Board.

## The Management Board shall elect a Chairman from among themselves from the members of the Management Board nominated by the [Founders].

## The Management Board shall meet at least 4 times in a calendar year, whereas such meetings may be held in person, or via phone, video conference or remote communication platforms. Each member of the Management Board has the right to request that an additional meeting be held by notifying the Chairman in writing. If so requested, the Chairman shall convene such meeting of the Management Board as soon as reasonably possible after receiving the relevant request, in accordance with the procedure set out in the following Sections. The Chairman shall send a notice to all members of the Management Board (to the email addresses notified to the Chairman) at least 7 days before the respective meeting or earlier in case all Management Board members agree in writing. A notice on convening a meeting of the Management Board shall be accompanied with the agenda for the meeting and copies of all supporting documents and proposals to be submitted, discussed and voted upon during such meeting.

## A meeting of the Management Board shall be considered as having quorum if (i) at least 2/3 of all members of the Management Board and (ii) the member of the Board nominated by the Investors’ Majority participate in the meeting. The member of the Management Board nominated by the Investors’ Majority shall always be either a secretary or a chairman of a particular meeting. The meetings of the Management Board shall be properly documented in the Minutes. After each meeting of the Management Board the Minutes shall as soon as reasonable be provided to all the members of the Management Board as well as the Investors.

## A decision of the Management Board is adopted if more than half of the members of the Management Board present at the meeting vote in favour, except for the Reserved Matters. Reserved Matters falling under the Management Board’s competence are adopted in accordance with Section 4.8 of this Agreement.

## Any decision of the Management Board may be taken without convening a meeting, provided all members of the Management Board sign the respective decision, or any other procedure specified in the law is duly followed. Such decision of the Management Board shall as soon as reasonable be provided to the Investors.

# CEO

## The CEO shall be appointed, removed and his/her employment terms and conditions shall be determined by the Management Board in accordance with the procedure established in the Law on Companies and this Agreement.

## The CEO shall be removed in the event of his/her material breach (in the capacity as a CEO (i.e., not shareholder) of the Company) of the Investment Agreement, this Agreement or in case he/she materially breaches his/her respective fiduciary duties, including duty of care, loyalty, obligation to avoid conflict of interest, etc.

## The CEO shall have the competence as established in the applicable laws of the Republic of Lithuania and this Agreement. Reserved Matters shall require a prior decision of the General Meeting of Shareholders or the Management Board as indicated in Section 4.8.

## The CEO shall carry out the decisions of the General Meeting of Shareholders, the Management Board and shall put his/her best efforts to procure that the Company complies with the Budget.

# Articles of Association

## In the event of any discrepancy between this Agreement and the Articles of Association, the terms of this Agreement shall prevail and the Parties shall follow this Agreement. Upon request of any of the Investors, Parties shall take all measures necessary to amend the Articles of Association to the extent legally possible, where these are not in compliance with this Agreement.

# Familiarising new members of the Management Bodies with the Agreement

## The Company shall procure that all existing and future members of the management bodies of the Company are familiarised with this Agreement in a timely and proper manner.

# Accounting and Disposal of the Shares

# Accounting

## Within 30 days from the Signing Date the accounting of the Shares of the Company shall be transferred to management of the external securities account manager who has a right to open and manage personal accounts of the financial instruments. All the Parties undertake to ensure that accounting of the Shares of the Company stay managed by the external manager during the entire term of validity of the Agreement.

## The Parties undertake to ensure that entries concerning the execution of this Agreement and restrictions provided herein are made in the documents of accounting of the Shares of each Shareholder.

# Restrictions on Transfer and Encumbrances

## For 4 years as of the Effective Date (the Lock Up Period) the Founders shall not be entitled to transfer (sell, exchange, donate, contribute the Shares as an in-kind contribution to the share capital of another legal person or transfer in any other manner) any part of Shares owned by each of the Founders or rights to the Shares without a prior approval of the Investors’ Majority. The Lock Up Period shall not be applied with respect to the transfer of the Shares by the Founder to such Founder’s personal holding vehicle, provided that the Founder: (i) remains jointly and severally liable with such holding vehicle for the performance of the Shareholders Agreement; (ii) at all times maintain 100% Control over such Founder’s personal holding vehicle.

## The Shareholders are not entitled to transfer the rights granted by the Shares separately from the Shares.

## The Shareholders do not have the right to pledge or otherwise create any Encumbrances with respect to the Shares or any portion thereof or the rights granted thereby without a prior written consent of all other Shareholders.

## Upon the public auction of the Shares in accordance with the procedure established in the Code of Civil Procedure of the Republic of Lithuania, the Shareholder whose Shares are being auctioned shall at all times indicate the other Shareholders as the purchasers of such Shares, as established in Article 704 of the Code of Civil Procedure of the Republic of Lithuania, unless all the Shareholders waive their rights to the auctioned Shares in writing.

## In the event the Shareholder (the Transferor) intends to transfer the Shares owned by it (the Transferable Shares) to another person, including its Affiliated Person (the Transferee), such transfer of the Shares shall be permitted only if all of the following conditions are met:

1. if the Transferor is the Founder and the transfer falls under the period of time indicated in Section 5.3, the Transferor must have obtained a prior written consent of the Investors’ Majority for the transfer of the Transferrable Shares;
2. the transfer of Shares shall be made by way of sale of the Shares for consideration payable in cash only, whereas any other way of transfer of the Shares (including transfer by way of exchange, transfer as a gift, contribution to the share capital, transfer for consideration other than cash, granting options or other rights to acquire Shares, except from the Employee Option Pool) is not allowed without a prior written consent of all other Shareholders;
3. save for the case of Drag Along Right, the Transferable Shares were offered to the other Shareholders under the Right of First Refusal procedure and such other Shareholders did not exercise the Right of First Refusal;
4. prior to the acquisition of the Transferable Shares, the Transferee assumed all the rights and obligations of the Transferor arising under this Agreement by signing a respective deed of adherence to this Agreement (in a form reasonably satisfactory to the Company and other Shareholders). For the avoidance of doubt, in case the Transferee transfers all its Shares or any portion thereof to any party in compliance with the terms of the Agreement, such Transferor shall cease to be the Party of this Agreement and all the rights and obligations of such Transferor set forth in this Agreement shall be taken over by the Transferee (who shall become a party to this Agreement) without a separate consent to such transfer of rights and obligations from the other Parties hereof, respectively;
5. if the Transferor has provided any loans or other borrowed funds to the Company, the Transferee has taken over all such loans and borrowed funds on the same terms along with the Transferable Shares;
6. if the Company has provided any loans or other borrowed funds to the Transferor, the Transferee has taken over all the debts under such loans on the same terms along with the Transferable Shares, provided that a prior consent of the Investor’s Majority is obtained for such take over, or such loans are repaid no later than on the date of transfer;
7. the Transferee along with the Transferable Shares bought the Tag Along Shares (if applicable), unless the Right of First Refusal had been exercised;
8. the Transferor and the Transferee presented to the Company the agreement regarding the transfer/acquisition of the Shares and confirmed in writing that information contained therein is accurate and correct and that there are no additional documents in relation to the transfer of the Transferable Shares.

## The Company shall ensure that the manager of the securities account of the shareholders of the Company shall not recognize or register transactions relating to transfer of the Transferable Shares, unless sufficient proof is provided to the manager of accounting of the Shares along with the agreement that the Transferor has fulfilled all the obligations under this Agreement in relation to the transfer of the Transferable Shares.

## In the event that any of the terms and conditions under Sections 5.3-5.8 (Restrictions on Transfer and Encumbrances) are not met, the transfer of the Transferable Shares may not be effected or, if effected, it shall be considered null and void *ab initio.*

# Issue of Shares

## The Parties agree that, if necessary, for any material reason whatsoever, and provided that the financing from Company’s own resources or debt financing are not available, acceptable or sufficient, to finance the operations of the Company entirely or partly through issuing additional equity capital such issue will always first be addressed to existing Shareholders. In the event of issue of any new Shares during the term of this Agreement, all Shareholders shall have a *pro rata* right, but not an obligation, based on their shareholdings in the Company, to acquire such new shares (subject to exceptions stated in the Law on Companies) (the Right of Pre-Emption), except for the issuance of Shares from the Employee Option Pool. [Furthermore, the [Investor] shall have super pro rata right, i.e. the option to invest up to [\_\_\_]% of the round in the event of the issuance of any new Shares or any other equity or quasi-equity instruments, or transfer such participation rights to related parties.]

# Right of First Refusal

## In the event the Transferor intends to sell the Transferable Shares to a third person, the other Shareholders shall have a right of first refusal (the Right of First Refusal) to acquire all of the Transferable Shares at the same price per one share and on the same other terms and conditions that were agreed between the Transferor and the potential Transferee. Right of First Refusal shall not apply in case Shares are sold from Employee Option Pool or back to the Employee Option Pool, as well as with respect to Drag Along Right or if specifically provided otherwise in the Agreement.

## The Transferor shall notify the other Shareholders and the CEO of the Company in writing about the intention to sell the Transferable Shares (the Sale Notice). The Sale Notice shall include the main terms and conditions of such sale, including information about the potential Transferee, the number of the Transferable Shares, the portion of the Transferable Shares in the Share Capital, the price of one Transferable Share, the timeframe and conditions for payment/sale, the list of representations and warranties and other material terms and conditions of the contemplated sale. In the event the other Shareholders or any other Shareholder is willing to acquire all the Transferable Shares, such Shareholder shall notify the CEO of the Company and the Transferor of the intended acquisition of such Transferrable Shares (the Acceptance Notice) within the period of 20 days from the date of receipt of the Sale Notice (the Acceptance Period) and shall buy out the Transferable Shares (conclude a purchase agreement) within 30 days from the date of receipt of the notice stating its intention to exercise the Right of First Refusal. In this case a purchase transaction is carried out in accordance with the terms and conditions specified in the Sale Notice, including the time limit for payment of the price. In case more than one Shareholder express their wish to acquire the Transferable Shares and to exercise of the Right of First Refusal, such Shareholders shall be entitled to acquire the Transferable Shares in proportionto the number of the Shares owned by them.

## In the event none of the Shareholders notifies on its will to exercise the Right of First Refusal within the Acceptance Period, the Transferor may transfer the Transferable Shares to the Transferee indicated in the Sale Notice. In this case, Sections 5.15-5.17 (Tag Along) shall be applied simultaneously.

## In the event the Transferor does not sell the Transferable Shares to the Transferee within 120 days from the submission of the Sale Notice (which shall be extended by the term required to obtain merger clearance, if applicable), the Transferor intending to transfer the Transferable Shares shall repeat the procedures established in Sections 5.11-5.14 (Right of First Refusal) – 5.15-5.17 (Tag Along).

# Tag Along

## If (i) upon expiration of the Lock-In Period the Founder(s) (the Transferor) intend to sell all or any part of their Shares or (ii) other Shareholders wish to sell the Shares constituting more than 50% of the share capital to the potential Transferee and give a Sale Notice to the Shareholders, any of the Shareholders (subject to the Lock Up Period for the Founders) is entitled to express a wish to sell either *a pro rata* part of its/their Shares or all Shares of it/them along with the Shares of the Transferor. In such case, the Transferor shall ensure that together with the Transferable Shares the Transferee shall purchase, respectively, part or all the Shares owned by such Investor (the Tag Along Shares) at the same fair price and on the same fair terms as agreed between the Transferor and the Transferee (the Tag Along Right), except as provided in Section 5.17 with respect to the Investors. If any of the Shareholders has expressed a wish to exercise the Right of First Refusal and other Shareholder(s) has (have) expressed a wish to exercise the Tag Along Right, the Shareholder(s) exercising the Right of First Refusal shall either confirm in writing that he/she shall also buy the Tag Along Shares or shall be allowed change his/her wish and refuse from exercising the Right of First Refusal and, if he/she wishes so, opt for exercising Tag Along Right by notifying the CEO of the Company and the Transferor in writing within 10 days from receipt of information on the exercise of Tag Along Rights from the CEO. If no answer from such Shareholder is received within such term, it shall be treated that the Shareholder has refused from the Right of First Refusal and has not opted for exercising the Tag Along Right, unless he/she has expressed the wish to buy all Tag Along Shares (if any) in the Acceptance Notice. Tag Along Right shall not apply in case Shares are sold from Employee Option Pool or back to the Employee Option Pool.

## Each Investor shall notify the Transferor of their intention to exercise the Tag Along Right within the Acceptance Period by giving a written notice thereof to the Transferor and the CEO. In the event the Investor presents a request to exercise the Tag Along Right, the Transferor may not transfer the Transferable Shares to the Transferee, unless the Transferee together with the Transferable Shares purchases the Tag Along Shares. The CEO shall immediately inform all Shareholders who have expressed their wish to exercise the Right of First Refusal on received requests for exercising the Tag Along Rights in writing.

## The Investors’ representations, warranties and indemnities shall be limited to title to the Shares held by the Investors free from any Encumbrances and capacity to enter into and implement the respective agreement. The Investors shall not be subject to any non-competition, non-solicitation or similar restrictions.

## Drag Along

## In the event the Transferee provides to the Shareholders anoffer to purchase at least 50 percent of the Shares and the Shareholders holding at least 50 percent of the Shares, which shall always include the Investors’ Majority) (the Transferors) agree to such offer, or such Transferors wish to enter into a respective Liquidity Event, the Transferors, by submitting a Sale Notice, shall be entitled to request that all the remaining Shareholders (the Dragged Shareholders) participate in such sale of the Shares and sell all the Shares owned by the Dragged Shareholders together with all the Shares owned by the Transferors (the Drag Along Shares) to the Transferee on the terms and conditions and following the procedure laid down in the Sale Notice, or consent to the respective Liquidity Event (the Drag Along Right). For the avoidance of doubt, in the event the Transferors do not include the Investors’ Majority, the other Shareholders shall not be entitled to exercise the Drag Along Right.

## Upon receipt of the Sale Notice under Section 5.18, the Dragged Shareholders shall sell together with the Transferors all the Drag Along Shares to the Transferee on the terms and conditions indicated in the Sale Notice.

## The respective sale and purchase agreements of the Shares shall be concluded, title to the Shares shall be transferred to the Transferee and the price for the Shares and the amounts for the rights to the loans, credits and other financing to be transferred shall be paid to all the Shareholders at the same time and on the terms and conditions indicated in the Sale Notice, however, in any event not later than within 120 days from the date of submission of the Sale Notice (which shall be extended by the term required to obtain merger clearance, if applicable).

## If the Transferors do not transfer the Shares to the Transferee within 120 days after the submission of the Sale Notice (subject to the extension as per Section 5.20, if applicable), the Transferors shall repeat the procedures established in Sections 5.11-5.14 (Right of First Refusal) – 5.15-5.17 (Tag Along).

## The Investors’ representations, warranties and indemnities shall be limited to title to the Shares held by the Investors free from any Encumbrances and capacity to enter into and implement the respective agreement. The Investors shall not be subject to any non-competition, non-solicitation or similar restrictions.

## In the event the Dragged Shareholders who are obliged to sell the Drag Along Shares refuse or fail to execute a Share purchase agreement in a timely manner, the purchase price for the Drag Along Shares and the amounts for the rights to the loans, credits and other financing to be transferred may be transferred to the escrow account held by a public notary, and a dispute resolution institution may be requested to confirm the execution of the Share sale and purchase agreement and the fact of sale of the Drag Along Shares.

# Option pools

## The Parties agree that as a motivational package, the employees and/or consultants of the Company may be granted an option to acquire from the Founders up to [\_\_\_] Shares as a motivational package (the Employee Option Pool). Each person who acquires the ESOP Shares shall adhere to this Agreement by signing the Deed of Adherence and shall accede to this Agreement and to such person provisions of this Agreement established in respect of the Shareholder shall apply, including the specific obligations of the Founders (i.e. non-competition, non-solicitation, commitment and other obligations). The ESOP Shares shall be formed from the Shares of the Founders and respectively shall not dilute the Seed Investors in any case. When any ESOP Shares are being granted, each of the Founders shall transfer respective part of their Shares to the respective recipient of ESOP Shares that is equal to pro rata share of the respective Founder’s then current shareholding in the pool of all the Shares owned by the Founders at the time.

## The Parties agree that the terms and conditions regarding the Vesting Period and the definitions of the Bad Leaver Event and the Good Leaver Event of the option agreements concluded between the Company and the employees/consultants under the Employee Option Pool shall not be more favourable than defined in this Agreement, unless the Management Board approves otherwise in writing.

# Put option

## The Founders hereby grant to each Investor a binding put option, allowing any of the Investors to sell all of its Shares to the Founders (on a pro-rata basis or to any given Founder) for a total amount of EUR 1 for all sold Shares (the Put Option). The Put Option can be exercised by the Investors, at any moment in time as from the Effective Date. Should an Investor decide to exercise the Put Option, the Founders shall be notified of such decision (the Notification of Put Option). The Notification of Put Option shall include: (a) the sale price, in accordance with this Section; (b) the bank account number of the Investor to which the sale price shall be transferred by the Founders and (c) the date and the location on which the Put Option shall be exercised and the Investor’s Shares effectively transferred to the Founders. The exercise date of the Put Option shall not exceed 15 (fifteen) days counting from the date of Notification of the Put Option.

## Founder SPV control

## During the entire term of validity of this Agreement, [\_\_\_] and [\_\_\_] shall retain 100% control in the Founder [\_\_\_], and [\_\_\_] shall remain the sole shareholder in the Founder [\_\_\_], as well as neither of them shall transfer any shares owned directly or indirectly on the Signing Date in the respective Founder without prior written approval of Investors’ Majority. [\_\_\_] and [\_\_\_] shall ensure that no pledge or any other Encumbrances are created with respect to the contributions, parts and/or shares, if applicable, of the [\_\_\_] (its shareholder, where applicable) or any portion thereof or the rights granted thereby without a prior written consent of the Investors’ Majority.

# DOWN-rOUND PROTECTION

## If the Company attracts new investor (including additional financing by the Shareholders, except the cases provided in this Agreement) who invests into the Company by the way of acquisition of new shares or convertible bonds of the Company, the following principles shall apply:

### in the event of issue of any new Share(s) (irrespective of the class of the Shares) to the new investor at a price per Share which is less than the amount paid per Share by the relevant Investors, then, the Investors will have a broad-based weighted-average anti-dilution protection. Thus, in such event the total amount of Shares each Investor (that is subject to the anti-dilution protection in the respective instance) owns shall be adjusted by issuing additional Shares for their nominal value in accordance with the following formula:

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

Where:

N = the number of additional Shares to be issued to the relevant Investor;

$$X= \frac{\left(IP1 x A\right)+(IP2 x B)}{\left(A+B\right)}$$

IP1 = (a) the amount paid by the Investor per each Share held by such Investor or (b) in case of any previous anti-dilution adjustments whereby the Investor received additional Shares under Section 6 hereof for the respective Shares, the amount equal to the last X (as calculated per the above formula), in each case adjusted to take into account any splits of Shares;

A = the aggregate number of Shares issued and outstanding immediately before such investment round (as described above) plus the aggregate number of allocated and unallocated options to subscribe for Shares, or which are subject to convertible securities (including but not limited to warrants) in each case immediately prior to such investment round;

IP2 = the per share price of the new Shares issued pursuant to such investment round (as described above) (which shall be the fair market value if the new Shares are issued for consideration other than cash);

B = the aggregate number of Shares issued pursuant to such investment round (as described above);

C = the aggregate number of the Shares held by the relevant Investor prior to such investment round that are subject to the respective anti-dilution adjustment (as described above).

### in the event of issue of any new Share(s) (irrespective of the class of the Shares) to the new investor at a price per Share which is higher than the amount paid per Share by the relevant Investors, the total amount of Shares each Investor owns shall not change, i.e. the Investors will own respectively smaller stake in the Share Capital.

## If an Investor holds Shares with different issue prices that are subject to the anti-dilution adjustment, the anti-dilution adjustment above shall be calculated separately regarding each portion of such Shares having different issue price.

## The anti-dilution adjustment shall not apply to any issue of the Shares issued under the Employee Option Pool.

# Liquidation Preference

## Upon a Liquidity Event, the assets and/or proceeds of the Company shall be distributed between the Shareholders and the Investors shall have a preferential right in respect of such distribution of assets and/or proceeds so that each Investor is distributed an amount equal to the higher of:

### an amount equal to the issue price of the Shares acquired under the Investment Agreement by the Investor; or

### the amount such Seed Investor would receive if all Shareholders received a proportion of such assets and/or proceeds pro rata to their shareholding in the Company.

## After having made full distributions to the Seed Investors pursuant to Section 7.1, the remainder of the assets and/or proceeds of the Company, if any, shall be distributed between the Founders and other Shareholders (if any) pro rata to their shareholding in the Company (excluding the shareholding of the Investors).

## The Company and the Shareholders may not effect a Liquidity Event or enter into any agreements or arrangements in connection therewith unless such relevant agreement or arrangement provides that the consideration payable to the Shareholders is allocated in the order of priority set out in this Section 7.1.

# LEAVER PROVISIONS

## The Parties agree that all the Founders’ Shares held by them on the Effective Date shall be subject to reverse vesting for a period of 4 years (the Vesting Period) starting from the Effective Date. Respectively, 25% of the Shares shall be subject to a 1-year cliff and will be vested after the lapse of 12 months as of the Effective Date, while the remaining 75% of the shares shall vest in equal monthly instalments over the period of next months (so that 100% of the Share would be vested by the end of 36 months period as of the Effective Date).

## Upon the occurrence of a Good Leaver Event during the Vesting Period, the Founders, the Company first or the remaining Shareholders second, shall have the option to acquire all the vested Shares held by the leaving Founder for the Fair Value and (or) all his unvested Shares for the Fair Value with 50% discount.

## Upon the occurrence of a Bad Leaver Event during the Vesting Period, the Company or remaining Shareholders, shall have the option to acquire all respective leaving Founder’s vested Shares and (or) all his unvested Vesting Shares for their nominal value (whereas the option to acquire the Shares of the leaving Founder under Sections 8.2 and 8.3 jointly the Call Option).

## The right to exercise Call Option and to acquire the Shares of the leaving Founder shall be granted to the following persons in the following order of priority:

### the Founders *pro rata* to their shareholding on the date of the Call Option notice (for the avoidance of doubt, excluding Shares held by the leaving Founder) in case of a Good Leaver Event. In case of a Bad Leaver Event, all the Shareholders shall have the priority right to acquire the Shares of the leaving Founder *pro rata* to their shareholding on the date of the Call Option notice;

### the Company (in which case the Shares will be attributed to the Employee Option Pool);

### any of the remaining Shareholders *pro rata* to their shareholding on the date of the Call Option notice.

## The leaving Founder is obliged to notify the other Parties in writing about any leaver event within 10 Business Days as of the occurrence of the leaver event.

## The Shareholders and the Company may express their wish to exercise the Call Option within 6 months from the moment they became aware of the Good Leaver Event or the Bad Leaver Event by providing the Call Option notice to the leaving Founder (with copy to the other Shareholders). In case the Call Option has been exercised by both the Founders and the Company (where applicable), the Shares shall be transferred pursuant to the priority set forth in Section 8.4. If Founders and the Company have not exercised the Call Option in full, the remaining Shareholders (as applicable) shall be granted the right to exercise the Call Option within additional 6 months by providing the Call Option notice to the leaving Founder.

## If the Founders, the Company and(or) the remaining Shareholders (as applicable) exercise the Call Option, the leaving Founder shall take all actions requested by the Founders, the Company and(or) the remaining Shareholders to transfer the requested Shares to, respectively, the Company or the Shareholders within a period which shall be:

1. if the transfer is for nominal value, within 10 Business Days after the receipt of the Call Option notice; and
2. if the transfer price includes the Fair Value as a component, within 10 Business Days after the determination of the Fair Value under Section 8.8.

## The Fair Value shall be determined as follows:

1. within 30 Business Days after exercise of the Call Option the leaving Founder and the Parties that have exercised the Call Option shall seek in good faith to agree upon the Fair Value; and
2. in case the said Parties do not reach an agreement on the Fair Value within the said term, the Fair Value shall be determined as follows: [*to be provided*].

## The title to the Shares of the leaving Founder shall transfer from the moment that the transfer price is paid to the Founder or in case such payment is not possible due to any reason to the notary’s escrow account for the benefit of the leaving Founder.

# NON-COMPETITION AND NON-SOLICITATION

# Non-Competition

## The Founders undertake directly or indirectly through his/her/its Affiliated Persons until he/she holds any Shares and for 36 months thereafter, to refrain from any activities competing with the Business in any countries where the Company and/or its Affiliated Persons operate or intend to operate (if investments or actions have been made to enter such markets) at the relevant time unless a prior written consent is given by the Investors’ Majority and the Company. The Founders shall also procure that his/her/its Affiliated Persons refrain from the respective actions described in this Section.

## The following activities shall, without limiting the generality of Section 9.1, in any case be deemed competing activities: (i) engaging in, (ii) actively assisting, (iii) acting in a capacity where such person is involved in the competitor’s business, (iv) owning any assets or shares in (other than owning up to 5 percent of shares from total outstanding share capital in any publicly traded company listed in any stock exchange), and (v) acting as director, employee, or agent of, or advisor to, any business, enterprise, company, other entity, or person, which is or which is about to engage in any activities specified in Section 9.1.

## In order to avoid potential conflicts of interest, the Founders shall provide each of the Investors with any written information (and in the event of changes in such information shall update it) related to the activities carried out by the Founders or their Affiliated Persons in line with Section 9.2, if such activities do or potentially could compete with the Business.

# Non-Solicitation

## The Founders undertake directly or indirectly through his/her/its Affiliated Persons until he/she holds any Shares and for 36 months thereafter directly or indirectly (whether through any entity directly or indirectly competing with the Business or otherwise) not to:

1. solicit for employment, employ or otherwise engage any previous or existing personnel of the Company or any other persons serving the Company or its subsidiaries. This shall not prevent the employment of any person who responds to a general advertisement or recruitment campaign not specifically directed at such person or employment of the persons already employed with the respective Shareholder at the Signing Date; or
2. solicit not entering into or termination of any business relationship between the Company and an actual or potential client and/or supplier, with which the Company has already started discussions and/or negotiations, or co-operation partner of the Company who is material or exclusive business partner of the Company.

## Commitment Period

## The Founders undertake for the entire period that the Founder holds any Shares, however not less than 48 months from the Signing Date, to be fully committed to the Company, i.e. shall (i) dedicate their entire working time to the Company, i.e. at least 8 hours per business day (40 hours per week, however not excluding other benefits guaranteed by the laws, e.g. vacations etc.), and (ii) shall not engage into other employment relations and will not pursue other commercial activities without the advance written consent of the Investors’ Majority.

## The Parties agree that the Founders’ net monthly remuneration shall not exceed the amount indicated in the Company’s current budget for the period of 1 year after the Effective Date. Afterwards, the Founders’ gross monthly remuneration shall be set in the Budget to be approved by the Management Board in accordance with this Agreement.

# Other Undertakings

# Information Undertakings

## The Company shall provide to the Investors financial indicators and information (including, but not limited to performance of the budget and activity plan per month and from the beginning of the year, essential events during the month) as agreed by the Company and Investors, within 20 (twenty) calendar days after the end of each calendar month. The Company shall provide to the Investors the quarterly set of financial statements within 20 (twenty) calendar days after the end of each quarter of the calendar year (consolidated, if applicable).

## Within 30 (thirty) days after the end of calendar year the Company shall provide to the Investors:

## a description of the state of the Company;

## a description of essential events during the year, which influenced or may influence activities of the Company and investment into the Company.

## Within 120 (one hundred twenty) days after the end of financial year the Company shall provide all Shareholders with a set of Company’s audited annual financial statements (consolidated, if applicable).

## The Company shall ensure that Investors receive the Company’s monthly bank account statements for all the accounts of the Company no later than within 15 days after the end of each calendar month.

## At least 30 (thirty) days before the start of new calendar year the Company shall provide the Investors with the budget of the Company for the coming year, as approved by the Management Board (consolidated, if applicable) and the action plan for the coming year.

## The Investors shall be entitled to request, and the Company shall provide any other information and documents related to the Company, Affiliated Persons and their beneficiaries in accordance with the procedure to be approved by the Management Board.

# Protection of the Intellectual Property Rights of the Company

## The Founders shall ensure that the Company shall be the sole owner or lawful user of all Intellectual Property Rights for a maximum period of time to and in all the works, patents and similar Intellectual Property objects (copyright, related rights, trademarks, industrial design, know-how, trade secrets etc.) required for performance of the Business.

## The Company shall be, for the maximum time allowed by Applicable Laws, the owner of all Intellectual Property Rights to and in:

## (a) all the works, patents and similar Intellectual Property objects (copyright, related rights, trademarks, industrial design, know-how, trade secrets etc.) required for performance of the Business, including the Product, which are created by the Company; and

## (b) all the products, which result from the intellectual activities of (i) the Founders; (ii) the employees while executing work functions and/or (iii) service providers or any other third parties retained by the Company,

## The Company and the Founders shall ensure that Intellectual Property objects referred to in Section 10.7 required for performance of the Business can be used by the Company without limitation as to territory, form, method, means of use, action and purpose as defined by the Applicable Laws of the countries where the Company operates. For this purpose, the Company shall enter into agreements with all the authors, producers and other persons involved in the development of the Intellectual Property objects for the permanent transfer of all Intellectual Property Rights to the objects created during the conduct of the Business. In instances where the assignment of Intellectual Property Rights to the Company is legally restricted, such as moral rights of the author, the Company shall be granted, to the maximum extent permissible under law, an exclusive, transferable, sub-licensable, fully paid-up, worldwide, and unlimited right (license) to use, exploit, and exercise such Intellectual Property Rights for the entire duration of their protection under applicable law from the moment of their creation. The Founders shall procure that the respective individual shall undertake all necessary actions to effect the transfer of Intellectual Property rights to the Company. Furthermore, they shall perform all acts necessary or appropriate for obtaining acceptance of any applications for such Intellectual Property Rights, securing the grant of such rights pursuant to those applications, and registering the Company as the sole proprietor of such Intellectual Property Rights. The Company and the Founders shall ensure that with respect to other Intellectual Property Rights that the Company does not own, the Company shall have sufficient rights of use in respect of territory, form, method, means of use, action and purpose as required for the Business based on the Applicable Laws of the countries where the Company operates.

## The Company is dedicated to avoiding any infringement of third-party Intellectual Property and to adequately preserving and protecting its own Intellectual Property. The Company shall ensure that all its agreements involving the creation of Intellectual Property for the Company include substantially customary provisions related to the transferring and/or licensing of the relevant Intellectual Property, allowing the Company to lawfully hold and use such Intellectual Property for business purposes. The Company shall use all reasonable efforts to ensure that its operations do not violate any Intellectual Property of any third person and that all its own Intellectual Property shall be adequately maintained and protected. The Founders and the Company shall indemnify and hold the Investors harmless against any liability, claims, costs, damages and/or other demands by any third parties made in connection to an alleged breach of Intellectual Property Rights of any such third parties by the Company and/or Founders.

# Other Undertakings

## [Mandatory terms of various funds to be inserted]

# Representations and Warranties

## Each Party hereby represents and warrants to the other Parties that the following representations and warranties of the Party are true and correct in all respects as of the date of this Agreement and shall remain such on the Effective Date as if made anew:

### **Authorisations**. The Party has full right, power and authority (including decisions and consents from its bodies, creditors and relevant authorities) required to execute this Agreement and perform the obligations indicated herein, and all such decisions and consents are valid and enforceable. This Agreement constitutes a valid and binding obligation of the Party, enforceable in accordance with its terms.

### **No conflict**. Neither the execution of this Agreement nor the compliance by the Party with its terms and provisions will conflict with or result in a breach or violation of any of the terms, conditions and provisions of (i) any permit, consent, decision, judgement, order, decree or ruling of any person, authority, organisation or dispute resolution body, to which the Party is subject; (ii) any transaction or commitment to which the Party is a party; or (iii) any Applicable Laws.

### **No proceedings**. There is no claim, action, suit, proceeding, arbitration, pre-trial investigation or hearing, pending or threatened, by or before any public authority or dispute resolution body against the Party due to which the Party would be unable to perform its obligations under this Agreement.

### **Legal capacity**. The Party is (i) a duly established company which is not subject to bankruptcy, restructuring, insolvency, reorganisation, spin-off or liquidation under the Applicable Laws; or (ii) a natural person with full legal capacity.

# Liability

# Nature of Events of Default

## Depending on severity, events of default under this Agreement are divided into two categories:

### **Material Events of Default**: In addition to material events of default under the laws, by agreement of the Parties, the following shall be considered to constitute a material event of default, if it is committed due to the Party’s fault:

1. violation of requirements and/or procedure for adoption and implementation of the Reserved Matters laid down in Section 4.8;
2. violation of the procedures for accounting and disposal of the Shares of the Company laid down in Section 5;
3. violations of undertakings established in Sections 9.1 and 9.4 (Non-Competition and Non-Solicitation), Sections 10.7 (Protection of the Intellectual Property Rights of the Company) and in Section 14.3 (Confidentiality);
4. violations of the obligations established in Section 7 (Liquidation Preference);
5. violations of undertakings established in Section 10.

### **Non-Material Event of Default**. A non-material event of default is any event of default other than mentioned in Section 12.1(a).

# Indemnification

## In the event a Party:

### commits a Material Event of Default under the Agreement and fails to remedy the breach within 20 Business Days from the date of receipt of a respective written request from any other Party, the aggrieved Parties at their discretion may choose any of the following options:

1. the defaulting Party, under the aggrieved Party’s written request, shall pay to the aggrieved Party an amount equal to [EUR 50,000] for each separate Material Event of Default, intended to compensate minimum damages of the aggrieved Party (the Parties agree that this amount shall not require proving and shall be considered to be contractual losses of the aggrieved Party; the Parties consider this amount to be reasonable and fair) for each event of default and shall compensate the aggrieved Party for losses incurred by the aggrieved Party in excess of the above mentioned amount; and/or
2. if the aggrieved Party are the Investors, to require compensation of the Investors’ actual losses suffered by the aggrieved Party in excess of the amount of [EUR 50,000], provided that said amount of compensation has been paid; and/or
3. to use other legal remedies available under law and this Agreement (including to demand fulfilment of the obligation in kind);

### commits a non-material event of default under the Agreement and fails to remedy the breach within 20 Business Days from the date of receipt of the relevant request of any Party, the aggrieved Parties at their discretion may choose from any of the following options:

1. the defaulting Party shall pay to the aggrieved Party a fine equal to [EUR 5,000] for each separate event of default, intended to compensate minimum damages of the aggrieved Party (the Parties agree that this amount shall not require proving and shall be considered to be the liquidated damages of the Aggrieved Party; the Parties consider this amount to be reasonable and fair) and shall compensate the aggrieved Party for its direct losses in excess of the above mentioned fine; or
2. if the aggrieved Party are the Investors, to require compensation of the Investors’ actual direct losses suffered by the aggrieved Party in excess of the above amount of [EUR 5,000], provided that said amount of compensation has been paid; and/or
3. use other legal remedies available under law.

## In the event that any of the Parties is in delay with the fulfilment of a monetary obligation, the defaulting Party shall pay to the aggrieved Party default interest of 0.0[5] percent per day on the delayed amount.

## The Shareholders confirm that in the event of a breach of this Agreement, adequate remedies may not always be available under law; therefore, all the provisions contained in this Agreement shall be in addition to any remedies available under law (using interim measures, rendering a final judgment, etc.).

## Any and all penalties due from the Shareholder (or a group of Shareholders) defaulting hereunder shall be payable to the aggrieved Shareholder or, if there are more aggrieved Shareholders, penalties shall be paid *pro rata* to the number of Shares held by them. Any and all penalties due from the Company defaulting hereunder shall be paid to the aggrieved Shareholders *pro rata* to the number of Shares held by them.

## Payment of penalties shall not exempt from the obligation to perform the obligations assumed under this Agreement.

## [Founders as natural persons] shall also assume obligations of the Founder [\_\_\_] under this Agreement, as well as procure that Founder [\_\_\_] (including its transferees and permitted assignees) properly performs its obligations under the Agreement. [\_\_\_] shall be jointly and severally liable with Founder [\_\_\_] towards the Investors for the proper performance of the obligations set forth in this Agreement. RŠ shall also assume obligations of the Founder [\_\_\_] under this Agreement, as well as procure that Founder [\_\_\_] (including its transferees and permitted assignees) properly performs its obligations under the Agreement. [\_\_\_] shall be jointly and severally liable with Founder [\_\_\_] towards the Investors for the proper performance of the obligations set forth in this Agreement.

# Validity and Termination

## Coming into Force

## This Agreement shall come into force as soon the Articles of Association with the increased share capital increased by the New Shares issued as per the Investment Agreement is registered with the Lithuanian Companies Register (the Effective Date).

#  Termination

## This Agreement shall terminate:

### in respect of a Shareholder, when the Shareholder transfers all the Transferable Shares to the Transferee in accordance with the procedure and conditions laid down in this Agreement;

### when one person becomes the owner of all (100 percent) of the Shares;

### when the Company is liquidated.

## This Agreement may be terminated by written agreement of all the Parties.

## Termination of this Agreement shall not affect the obligations of the Parties that are intended to survive termination of this Agreement, including provisions contained in Section 9 (Non-Competition and Non-Solicitation), Section 12 (Liability) and Section 14 (Final Provisions).

# Final Provisions

# Governing Law and Dispute Resolution

## This Agreement shall be governed by the law of the Republic of Lithuania.

## Any dispute, controversy or claim arising out of or in connection with this Agreement, its breach, termination or validity shall be finally settled by arbitration in Vilnius Court of Commercial Arbitration in accordance with its Rules. All process shall be served on the Parties by e-mail to the addresses indicated in this Agreement. The number of arbitrators shall be 3. The venue of arbitration shall be Vilnius, Lithuania. The language of arbitration shall be English. Any dispute shall be governed by the substantive law of Lithuania. 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.

# Confidentiality

## The Parties agree not to disclose any Confidential Information of the Company to any third parties unless such disclosure has been consented by the other Parties in writing or unless such information has become available to the public otherwise than through the breach of this Agreement, as the case may be, or if required to do so under any Applicable Laws or stock exchange recommendations or regulations to which the respective Party is subject or submits or by a governmental authority with relevant powers to which the respective Party is subject or submits, whether or not the requirement has the force of law, provided to the Party’s professional advisors having similar confidentiality obligations towards such Party. The Parties shall ensure that their employees, members of governing bodies, limited partners (with respect to a fund) and any other representatives as well as the advisors of each Party to whom any such information is entrusted comply with these restrictions. These confidentiality requirements shall apply to each Party for as long as the Party remains a party to this Agreement and for 24 months after the respective Party ceased to be a party under this Agreement.

# Notices

## All notices, requests, claims and other communications shall be in writing and shall be delivered to the recipient in person, sent by e-mail (with an acknowledgement of receipt from the recipient), registered mail or via courier at the addresses indicated by the Parties in this Agreement or other addresses notified by the Parties as their address for service.

## Correspondence shall be deemed delivered (i) on the date of actual delivery if delivered in person; (ii) at the time when the recipient acknowledges receipt of the message or in case such receipt is not received within 2 Business Days, at 3 p.m. on the third Business Day , if sent by e-mail; (iii) on the third Business Day if sent by registered mail, except when sent to or by the Party established abroad, in which case it shall be deemed delivered on the fifth Business Day; and (iv) on the following Business Day if sent by courier, except when sent to or by the Party established abroad, in which case it shall be deemed delivered on the third Business Day.

## In the event of a change of address the Party shall notify the other Parties to that effect.

# Assignment

## None of the Parties shall be entitled to assign any of their rights or obligations under this Agreement to any third persons without the prior written consent of the other Parties, except the cases provided for in this Agreement and the Investment Agreement.

## All the rights and obligations of the respective Party under this Agreement shall be binding upon its successors, assignees and other legitimate representatives.

# Other

## Irrespective of any other provisions of this Agreement, the Parties understand and acknowledge that [\_\_\_] are engaged in large-scale investment activities, therefore, may have invested or may invest in the future in entities engaged in activities similar or identical to the Business of the Company or the entities, the interests of which may otherwise conflict with the interests of the Company.

## Any amendments, supplements and schedules to this Agreement shall be valid only if they are made in writing and signed by all the Parties. Any amendments, supplements and schedules to this Agreement shall form a constituent part of the Agreement.

## This Agreement shall supersede all prior contracts or agreements between the Parties on the matters covered by this Agreement, including, but not limited to the shareholders’ agreement concluded previously by the respective Shareholders of the Company, if applicable and shall be considered to constitute the entire and sole agreement between the Parties. This Agreement exists alongside and does not impact the validity of Investment Agreement concluded by the Parties.

## If any provision of this Agreement is found invalid or illegal, the remainder of this Agreement shall be binding on the Parties and shall be construed as if the invalid or illegal provision had been deleted from this Agreement. The Parties shall use all reasonable efforts to agree any substitute provisions for the invalid or illegal provision having, as close as practicable, the same commercial effect.

## This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

## The Parties agree that this Agreement shall be signed by electronic signatures of the Parties. The Parties also agree and acknowledge this the Agreement may be signed by one or several Parties with electronic signature that does not comply with the qualified electronic signature (QES) requirements established in the Regulation No. 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC, and the Parties hereby agree and confirm, that such a methods of signature (including signing via DocuSign or other platform) of the said documents shall be considered as appropriate and valid and shall have equivalent legal effect of a handwritten signature.

## Signature page of the Shareholders’ Agreement

**The Founders:**

|  |  |
| --- | --- |
| **Founder 1:**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name: [\_\_\_]**Founder 3:**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name: [\_\_\_] | **Founder 2:**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name: [\_\_\_] |

**The Investors:**

|  |  |
| --- | --- |
| **Investor 1:**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name: [\_\_\_] | **Investor 2:**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name: [\_\_\_] |
| **Investor 3:**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name: [\_\_\_] |  |

Schedule 1

**to Shareholders’ Agreement**

**Definitions**

In this Agreement:

### the clause and paragraph headings and the table of contents used in this Agreement are inserted for ease of reference only and shall not affect the construction;

### the words “include”, “includes” and “including” are deemed to be followed by the phrase “without limitation”;

### references to persons shall include bodies corporate, unincorporated associations and partnerships, in each case whether or not having a separate legal personality;

### except where the context specifically requires otherwise, words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and *vice versa*, words importing the singular shall be treated as importing the plural and *vice versa*, and words importing the whole shall be treated as including a reference to any part thereof.

This Agreement is an instrument, which was negotiated and prepared together by the Parties and, when interpreting this Agreement, there will be no benefits or disadvantages to any Party due to the fact that any of them had or may have had the responsibility for drafting this Agreement or any part thereof.

|  |  |  |
| --- | --- | --- |
|  | **Acceptance Period** | shall have the meaning defined in Section 5.12. |
|  | **Acceptance Notice** | shall have the meaning defined in Section 5.12. |
|  | **Affiliated Person(s)** | shall mean (i) a person’s spouse or partner by registered or unregistered partnership, parents, foster parents, brothers, stepbrothers, sisters, stepsisters, children, adopted children, and spouses of any of the aforementioned persons, and (ii) any other legal person directly or indirectly, including the through persons named in the above paragraph (i), or collectively with them, Controlling such person, Controlled by such person or jointly Controlled with such person.  |
|  | **Agreement** | shall mean this Shareholders’ Agreement relating to the management of the Company, disposal over the Shares and other issues, with any Schedules, amendments and supplements thereof. |
|  | **Applicable Laws** | shall mean the applicable laws of the relevant country, international treaties of the relevant country, as well as European Union treaties on the establishment and functioning of the European Community, regulations, directives, ordinances, resolutions and other legal acts. |
|  | **Articles of Association** | shall mean the Articles of Association of the Company registered with the Companies Register in accordance with the procedure established by law, which form is attached as Schedule 5. |
|  | **Bad Leaver Event** | shall mean a notice of termination or termination with immediate effect of the relationship between a Founder and the Company at the initiative of the Company or any of the other following events:1. voluntary resignation of the Founder (except for death or permanent disability of the Founder);
2. termination of the relationship due to fault of the Founder;
3. the existence of basis to terminate the employment or service contract due to reasons specified above in Section (i)-(ii) even if the employment or service contract is not factually terminated;
4. the Founder has substantially failed to perform his/her role and responsibilities set out in the Investment Agreement or this Agreement or has otherwise materially breached said agreements, including Non-Competition or Non-Solicitation obligations, and has not remedied the indicated breach within specified reasonable period;
5. the Founder) failed to devote sufficient time to the Company as per the Agreement and has not remedied the indicated breach within the specified period;
6. due to the Founder’s fraud, wilful misconduct or gross negligence the Company has incurred material loss, damage, costs or expenses and the Founder did not compensate the loss, damage, costs or expenses within the specified period;
7. Founder is convicted of a criminal offence or criminal misdemeanour by an enforceable court judgement or sentence.
 |
|  | **Budget** | shall mean the Company’s budget, as adopted in accordance with the provisions of this Agreement for each financial year of the Company and/or approved budgets of certain Company’s activities that are prepared in order to plan the expenses of certain activities. |
|  | **Business** | shall have the meaning defined in Section 2.3. |
|  | **Business Day** | shall mean any day (except Saturday, Sunday and public holidays) on which banks in Lithuania carry out banking operations. |
|  | **Call Option** | shall have the meaning defined in Section 8.3. |
|  | **Call Option Period** | shall mean the total period during which the Founders, the Company and (or) the Shareholders may exercise the Call Option det forth in Section 8.6. |
|  | **CEO** | shall mean the Chief Executive Officer (Managing Director) of the Company. |
|  | **Civil Code** | shall mean the Civil Code of the Republic of Lithuania, as amended and supplemented from time to time. |
|  | **Company** | shall have the meaning defined in the introductory part of this Agreement.  |
|  | **Confidential Information**  | shall mean the content of this Agreement and any information related to the Company and its Business, including any financial, commercial information, as well as any information concerning plans, strategies, promotions, and customers of the Company, provided it is not known publicly and the Company took reasonable actions to preserve its confidentiality.  |
|  | **Control** | (including the terms **controlling**, **controlled** and **jointly controlled**) shall mean the holding by ownership or otherwise of at least 1/2 of the votes at the meeting of the members of a legal entity or ability to otherwise exercise decisive influence on the legal entity, as such influence is defined in the Law on Companies. |
|  | **Dilutive Issuance** | shall have the meaning defined in Section 6.1. |
|  | **Drag Along Right** | shall have the meaning defined in Section 5.18. |
|  | **Drag Along Shares** | shall have the meaning defined in Section 5.18. |
|  | **Dragged Shareholder** | shall have the meaning defined in Section 5.18. |
|  | **Effective Date** | shall have the meaning defined in Section 13.1. |
|  | **Employee Option Pool** | shall have the meaning ascribed to it in Section 5.24. |
|  | **Encumbrance** | shall mean any contractual right, right *in rem* or other right, pledge, mortgage, attachment, claim, condition, option, retention, prohibition, security, pre-emptive right or any other restriction that limit or may limit the ownership, management or usage rights. |
|  | **EUR** | shall mean the Euro, the currency of the member countries of the Economic and Monetary Union. |
|  | **Fair Value** | shall have the meaning defined in Section 8.8. |
|  | **Founder(s)** | shall have the meaning defined in the introductory part of this Agreement.  |
|  | **General Meeting of Shareholders**  | shall mean General Meeting of Shareholders of the Company. |
|  | **Good Leaver Event** | shall mean the notice of termination or termination with immediate effect of the relationship between a Founder and the Company for any reason not designated as a Bad Leaver Event under this Agreement. |
|  | **Intellectual Property Rights**  | shall mean all intellectual and industrial property rights and similar rights of whatever nature anywhere in the world whether currently existing or coming into existence at some future time and all rights pertaining thereto, whether recorded or registered in any manner or otherwise, including (but not limited to) any copyrights, related rights, rights to trademarks and other signs, patents, industrial designs, utility models, inventions (whether patentable or not), database and software rights, semiconductor topography rights, know-how, trade secrets, domain names and any other intellectual property rights provided for and protected under the Applicable Laws anywhere in the world, 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. |
|  | **Investment Agreement** | shall have the meaning defined in the Recitals. |
|  | **Investment Documents** | shall mean collectively (i) this Agreement; and (ii) the Investment Agreement, each with Annexes, amendments and supplements thereof, and (iii) any other agreement or document the parties may decide to conclude in respect of the Investment. |
|  | **Investor(s)** | shall have the meaning defined in the introductory part of this Agreement. |
|  | **Investors’ Majority** | shall mean the holders of more than 50% of the Shares held by all the Investors at the relevant time. |
|  | **Law on Companies** | shall mean the Law on Companies of the Republic of Lithuania, as amended and supplemented from time to time. |
|  | **Liquidity Event** | shall mean occurrence of any of the following events (a) liquidation of the Company; (b) the Company is being reorganised, with the result that the change of Control of the Company occurs; (c) the Company sells substantial part of the assets of the Company or concludes any other transaction by which the Company transfers substantially part of its Business; (d) disposal of or granting exclusive licence to all or substantially part of Intellectual Property by the Company; (e) the Shares comprising more than 50 percent of the Share Capital or all the Shares held by the Founders are transferred. |
|  | **Liquidity Event Proceeds** | shall mean the amount of all proceeds received by the Shareholders and/or the Company in case of Liquidity Event.  |
|  | **Lithuanian Companies Register** | shall mean the Register of Legal Entities of the Republic of Lithuania.  |
|  | **Lock Up Period** | shall have the meaning defined in Section 5.3. |
|  | **Management Board** | shall mean Management Board of the Company. |
|  | **New Shares** | shall have the meaning defined in the Investment Agreement. |
|  | **Party(ies)** | shall have the meaning defined in the introductory part of this Agreement. |
|  | **Reserved Matters** | shall have the meaning defined in Section 4.8. |
|  | **Right of Pre-emption** | shall have the meaning defined in Section 5.10. |
|  | **Right of First Refusal** | shall have the meaning defined in Section 5.11. |
|  | **Sale Notice** | shall have the meaning defined in Section 5.12. |
|  | **Share(s)** | shall mean ordinary registered book-entry shares issued by the Company. |
|  | **Share Capital** | shall mean the aggregate par value of the Shares issued by the Company. |
|  | **Shareholder(s)** | shall mean any person owning the Shares of the Company and being the party of this Agreement. |
|  | **Signing Date** | shall mean the signing date of this Agreement and the Investment Agreement.  |
|  | **Tag Along Right** | shall have the meaning defined in Section 5.15. |
|  | **Tag Along Shares** | shall have the meaning defined in Section 5.15. |
|  | **Transferable Shares** | shall have the meaning defined in Section 5.7. |
|  | **Transferee**  | shall have the meaning defined in Section 5.7. |
|  | **Transferor** | shall have the meaning defined in Section 5.7. |
| 1.
 | **Vesting Period** | shall have the meaning defined in Section 8.1. |

Schedule 2

**to Shareholders’ Agreement**

Cap Tables

**PART I – CAPITAL STRUCTURE ON THE SIGNING DATE**

Capital structure on the Signing Date of the Agreement excluding Equity Instruments (e.g., ESOP Shares and convertible instruments)

|  |  |  |
| --- | --- | --- |
| Shareholder | Shares | Ownership (%) |
| Founder 1 | [\_\_\_] | [\_\_\_] |
| Founder 2 | [\_\_\_] | [\_\_\_] |
| Founder 2 | [\_\_\_] | [\_\_\_] |
| **TOTAL** | [\_\_\_] | **100%** |

**PART II – CAPITAL STRUCTURE ON THE EFFECTIVE DATE**

Fully diluted capital structure after completion of the Investment including Equity Instruments (e.g. ESOP Shares and convertible instruments)

|  |  |  |
| --- | --- | --- |
| Shareholder | Shares | Ownership (%) |
| Founder 1 | [\_\_\_] | [\_\_\_] |
| Founder 2 | [\_\_\_] | [\_\_\_] |
| Founder 3 | [\_\_\_] | [\_\_\_] |
| Investor 1 | [\_\_\_] | [\_\_\_] |
| Investor 2 | [\_\_\_] | [\_\_\_] |
| Investor 3 | [\_\_\_] | [\_\_\_] |
| ESOP Shares (held by the Founders) | [\_\_\_] | [\_\_\_] |
| **TOTAL** | [\_\_\_] | **100%** |

Schedule 3

**to Shareholders’ Agreement**

**List of Reserved Matters**

1. Decisions of the General Meeting of Shareholders:

* 1. to amend the Articles of Association;
	2. to increase or decrease of the Share Capital;
	3. to issue the convertible bonds or any other securities granting any person any right to vote at the General Meeting of Shareholders any time in the future, to enter into, or amend any material terms of, any convertible loan agreement, or any other transaction granting any person any right to acquire any shares other than option agreements with employees and/or advisors of the Company,
	4. to issue of any type of alternative securities and/or tokens, including, but not limited to issuing any type of cryptographic tokens, whether executed by or through the Company, any subsidiary of the Company or any Affiliated Persons;
	5. to revoke the pre-emption right of all shareholders to acquire Shares of certain issue, convertible bonds or other quasi-capital instruments, except as provided in the Agreement;
	6. to acquire and transfer own shares of the Company other than for the Employee Option Pool;
	7. to take decisions on reorganisation, merger, division, or separation, transformation, restructuring, dissolution, liquidation of the Company; to approve the terms and conditions of reorganisation; to appoint and revoke the liquidator of the Company; to revoke the decision to liquidate the Company;
	8. to distribute profit (loss) or pay dividends for a period shorter than financial year;
	9. to appropriate the funds for the Company’s reserves; application, reduction and annulment of reserves;
	10. to approve the set of annual financial statements or interim financial statements;
	11. to elect or remove members of the Management Board;
	12. to take any action that results in any Liquidity Event;
	13. to introduce new types of activities of the Company, fully or partially terminate activities, make other material change in the Business of the Company;
	14. to set and change the class, number, nominal value and minimum issue price of the Shares issued by the Company; to convert the Shares of one class into the Company’s shares of another class and approve the procedure for conversion of the Shares of the Company.

2. Decisions of the Management Board:

1. to elect and revoke from the office the CEO, to determine his/her employment conditions, allocate the bonuses and prescribe the penalties for the breach of his/her obligations as the CEO;
2. to approve the business plan and each Budget and any material changes thereto or deviations therefrom (i.e., in excess of [5]%);
3. to incur any loan or other financial obligation by the Company, except extensions of payments in the ordinary course of business;
4. to grant on behalf of the Company any loan or credit, including financial lease, issue or acquisition of debt securities, or any other debt instruments or to provide any collateral, except extensions of payments in the ordinary course of business;
5. to sell, transfer, license, grant into use or create other Encumbrance on any IP other than entering into non-exclusive licenses in the ordinary course of Business,
6. to sell, grant into use or transfer any material assets of the Company;
7. to establish any subsidiary and to acquire, transfer or create any Encumbrance on a shareholding in any other entity, including any subsidiary; to approve the articles of association of such companies, to take decisions on exercising of voting rights or other rights arising from the shares or other securities of other entities owned by the Company;
8. to establish a branch or representatives office of the Company, to terminate the activities of the branches and representatives offices of the Company, to approve their regulations, to elect the management bodies of the branches or representatives offices of the Company;
9. to enter into, terminate or amend any transaction with the value in excess of EUR [30,000], excluding VAT, except for agreements foreseen in the Budget approved by the Management Board (calculating every transaction separately or several connected transactions together);
10. to enter into any joint ventures, consortiums, shareholder agreements, other agreements having the same or very much alike effect;
11. to create or undertake to create any Encumbrance on any assets of the Company;
12. to conclude, terminate or change any transaction not in the ordinary course of Business;
13. to conclude, terminate or change any transactions with the Shareholders or their Affiliated Persons, as well as with the members of management bodies, including the CEO, or their Affiliated Persons;
14. to issue guarantees and/or suretyships or other securities for obligations by the Company in favour of any person, to assume obligations of joint and several liability with a third party, to issue promissory notes;
15. to grant charity, support and enter into similar gratuitous transactions;
16. to approve any decisions in relation to vesting of the Shares, including with respect of Bad Leaver Event and/or Good Leaver Event;.
17. to approve or amend Employee Option Pool plan and(or) rules of granting of shares, enter into an option agreement or any other transaction granting a right to acquire shares of the Company with employees and/or consultants of the Company, and to determine the conditions of such share options;
18. to conclude, terminate or change any transaction which is paid in cash (not through bank / payment institution account).