

# **SHAREHOLDERS' AGREEMENT** **TEMPLATE**

*This Shareholders' Agreement is a template realized on the initiative of ESIL2. This document should be considered as a starting point for negotiations and should be adapted to the specific needs of the intended deal. It is therefore a generalized document and cannot contain all elements that are of importance in specific situations. The formulation will not be relevant or optimal in certain cases. Each investor and entrepreneur remains fully responsible for the structuring of the transaction. Neither ESIL2, nor their consortium partners can be held accountable for any issues, faults, or deficiencies in the structuring of specific dossiers that would result from the usage of this Shareholders' Agreement Template.*

## SHAREHOLDERS' AGREEMENT

By and between

[•]

and

[•]

and

[•]

and

[•]

## SHAREHOLDERS' AGREEMENT

Executed on [●]

by and between

- 1) [NAME], born in [CITY], on [DATE], with national number [●] and domiciled at [ADDRESS] ("**Current Shareholder 1**");
- 2) [NAME], born in [CITY], on [DATE], with national number [●] and domiciled at [ADDRESS] ("**Current Shareholder 2**");
- 3) [NAME], a company duly incorporated and validly existing under the laws of [COUNTRY], having its office at [ADDRESS] and registered with the [NAME REGISTRATION OFFICE] under number [●] ("**Current Shareholder 3**");

"Current Shareholder 1", "Current Shareholder 2" and "Current Shareholder 3" collectively, the "**Current Shareholders**" and, each of them individually, also "**Current Shareholder**".

and

- 4) [Angel Investor 1], born in [CITY], on [DATE], with national number [●] and domiciled at [ADDRESS] ("**Angel Investor 1**");
- 5) [Angel Investor 2], born in [CITY], on [DATE], with national number [●] and domiciled at [ADDRESS] ("**Angel Investor 2**");
- 6) [Angel Investor 3], a company duly incorporated and validly existing under the laws of [COUNTRY], having its office at [ADDRESS] and registered with the [NAME REGISTRATION OFFICE] under number [●] ("**Angel Investor 3**");

Angel Investor 1, Angel Investor 2 and Angel Investor 3, collectively, the "**Angel Investors**" and, each of them individually, also an "**Angel Investor**".

(hereinafter, Current Shareholders and Angel Investor, collectively, the "**Parties**").

and

[NAME], a company existing under the laws of [COUNTRY], with registered office at [ADDRESS] and registered with the [NAME REGISTRATION OFFICE] under number [●] (hereinafter, the "**Company**");

## RECITALS

- A. the Company is mainly active in the field of [●] (hereinafter, the "**Company's Business**");
- B. on [●], the Parties entered into an investment agreement (hereinafter, the "**Investment Agreement**") to govern, among other things, the issuance and subscription by Angel Investors of newly issued Class B Shares, as provided for by such Investment Agreement;
- C. on the date hereof the Angel Investors subscribed the Angel Investor Capital Increase (as defined under the Investment Agreement) and the parties to the Investment Agreement completed the Closing in accordance therewith;
- D. as of the date hereof the corporate capital of the Company is held and represented as illustrated in **Appendix D**;

- E. the Parties now wish to enter into this shareholders' agreement (hereinafter, the "**Agreement**") to set forth their reciprocal rights and obligations with respect, *inter alia*, to the corporate governance of the Company and the transfer of their Shares in the Company, as well as their relationship as shareholders of the Company.

**IN CONSIDERATION OF THE FOREGOING RECITALS**, which form an integral and substantive part of this Agreement, the Parties and the Company hereby agree and covenant as follows.

## **1. RECITALS AND APPENDICES**

- 1.1. Recitals and Appendices to this Agreement form an integral and substantial part of the same and shall be binding upon the Parties and the Company.

## **2. DEFINITIONS**

- 2.1. In addition to other terms defined elsewhere in this Agreement, the following capitalised words and terms shall have in this Agreement the meaning set forth below. Capitalized words not defined in this Agreement and defined in the Investment Agreement shall have the meaning attributed to them thereby:

<b>Advisor</b>	means an investment bank or a financial advisor of primary national or international standing, having a proven track records in transactions involving companies active in the field of the Company's Business, chosen by the Angel Investors' majority.
<b>Affiliate</b>	means Company's shareholders, bondholders, directors, employees or managers (directly or indirectly, including (but not limited to) their respective family members and affiliated companies as defined in article [•] of the company law of [COUNTRY] and all other companies of which at least 10% of the shares are held by that shareholder, profit-sharing certificate holder, director, employee or manager of the company).
<b>Agreement</b>	means this shareholders' agreement together with all the Schedules and Appendices attached thereto.
<b>Angel Investment</b>	means the capital increase subscribed and paid by the Angel Investor on the Closing Date according to the Investment Agreement.
<b>Angel Investors</b>	means together [•], [•] and [•].
<b>Articles of Association</b>	means the article of association of the Company as adopted pursuant the provisions of the Investment Agreement.
<b>Automatic Conversion</b>	has the meaning provided for under Paragraph 11.1.7.

**Bad Leaver Events**

means, with respect to a Manager, one of the following events:

(a) termination unilaterally by the Company of the cooperation agreement or management contract, as the case may be, between a Manager (or his service company, as the case may be), on the one hand, and the Company, on the other hand, in case of proven willful or serious misconduct or fraud on the part of the Manager;

(b) termination unilaterally by the Company of the cooperation agreement or management contract, as the case may be, between a Manager (or his service company, as the case may be), on the one hand, and the Company, on the other hand, because its execution was done by a natural person or legal entity other than the permanent representative of the Manager, without the prior agreement of the Company;

(c) termination unilaterally by the Manager of the cooperation agreement or management contract, as the case may be, between a Manager (or his service company, as the case may be), on the one hand, and the Company, on the other hand, within a period of [●] years after the Closing Date, except if this would be the result of a proven gross negligence on the part of the Company.

**Board of Directors**

means the board of directors of the Company, appointed in accordance with the provision of Article 7 (*Board of Directors*).

**Board Reinforced Majority**

means that the resolution by the Board of Directors on certain matters requires an attendance quorum of at least 50% (fifty per cent) of its members, including at least 1 (one) Director Class A and at least 1 (one) Director Class B and shall be approved by a majority encompassing at least 1 (one) Director Class A and 1 (one) Director Class B.

**Business Day**

means any calendar day other than Saturdays, Sundays and any other day on which financial institutions are authorized to close in the city of [CITY].

**Business Plan**

has the meaning provided set out in the Investment Agreement.

**Call Option**

has the meaning provided for under Paragraph 23.1.

<b>Call Option Purchase Price</b>	has the meaning provided for under Paragraph 23.6.
<b>Call Option Shares</b>	has the meaning provided for under Paragraph 23.1.
<b>Change of Control</b>	means the acquisition, directly or indirectly, of the Control of a company by one or more Persons.
<b>Class A Shareholders</b>	means shareholders of the Company holding Class A Shares.
<b>Class A Shareholders Standstill</b>	has the meaning provided for under Paragraph 10.1.
<b>Class A Shares</b>	means the special class of A Shares, being no. [●] ([●]), issued by the Company and allotted to [Current Shareholders/Founders]. <sup>1</sup>
<b>Class B Shareholders</b>	means shareholders of the Company holding B Shares.
<b>Class B Shareholders' Majority</b>	means that the decision shall be made by the Shareholders who together hold more than 50% (fifty per cent) of the total amount of Class B Shares.
<b>Class B Shareholders Standstill</b>	has the meaning provided for under Paragraph 10.2. <sup>2</sup>
<b>Class B Shares</b>	means the special class of B Shares, being no. [●] ([●]), issued by the Company and allotted to Angel Investors.
<b>Closing Date</b>	has the meaning provided for under the Investment Agreement, and accordingly means [DATE].
<b>[Common Shareholders]</b>	means shareholders of the Company holding Common Shares.
<b>Common Shares</b>	means the ordinary shares of the Company, being no. [●] ([●]), issued by the Company and allotted to Current Shareholders other than the Founders. <sup>3</sup>
<b>Company</b>	has the meaning provided for under the Agreement's incipit.
<b>Company's Business</b>	has the meaning provided for under Recital A.
<b>Competitive Activity</b>	means any activity, as employee, manager, entrepreneur, director, shareholder, promoter,

---

<sup>1</sup> In presence of Current Shareholders other than the Company's founders, these latter shall be defined as "Founders" in the Agreement incipit.

<sup>2</sup> This definition has to be used only if the Parties want provide also the Class B Shareholders Standstill.

<sup>3</sup> This definitions have to be used only in presence of Current Shareholders other than the Company's founders.

## **Confidential Information**

consultant or similar, both on one's own or for third parties, carried out in the fields of [●]. For avoidance of doubt, it is considered Competitive Activity also the mere, direct or indirect, ownership, possession, holding of any share or quota in any enterprise, partnership, company (unless in a listed company where it is a merely financial investment) which carries out the Competitive Activities.

regardless of the method of disclosure and/or communication and/or exchange of such information and the support used for such purpose (including, therefore, information transmitted orally or obtained through access to the offices of the Company) and further regardless of whether they have been identified as confidential or not, means:

- (a) all information, of any kind whatsoever (including, but not limited to, business, industrial, technical, commercial, financial, accounting, legal and administrative information), related to, arising from, or pertaining to the Company and/or any of its Affiliates;
- (b) all such documents, analysis, reports, studies and other documents, in paper or electronic format or in any other format, that have been prepared by the Company and/or any of its Affiliates and/or their respective representatives, or on their behalf and that contain and/or reflect - in whole or in part - the information referred to in this Paragraph (a) above or that have been prepared - in whole or in part - on the basis of the same information.

**“Control”, “Controlling”  
“Controlled”**

or means the relation contemplated by article [●] of the company law of [COUNTRY].

**Current Shareholders**

means together the [●], [●] and [the Founders].

**Date of Price Determination**

has the meaning provided for under Paragraph 23.6.

**Date of Termination**

has the meaning provided for under Paragraph 23.7.

**Deed of Adherence**

has the meaning provided for under Paragraph 15.1.

**Dilutive Capital Increase**

has the meaning provided for under Paragraph 16.1.

**Directors**

means together the Directors Class A [●], the Directors Class B and the Independent Director / and the Directors Class B[●].

<b>Directors Class A</b>	means the directors of the Company appointed by the Class A Shareholders pursuant Paragraph 7.1(a).
<b>Directors Class B</b>	means the directors of the Company appointed by the Class B Shareholders pursuant Paragraph 7.1(b).
<b>Drag-Along Notice</b>	has the meaning provided for under Paragraph 13.1.
<b>Drag-Along Right</b>	has the meaning provided for under Paragraph 13.1.
<b>Dragged Shares</b>	has the meaning provided for under Paragraph 13.1.
<b>Dragged Shareholders</b>	has the meaning provided for under Paragraph 13.1.
<b>Dragging Shareholders</b>	has the meaning provided for under Paragraph 13.1.
<b>Encumbrance</b>	shall mean any pledge, lien, charge, encumbrance, security interest, power of sale or mortgage, option right, power to limit and/or prevent the sale, disposal, or transfer of assets, restriction (including voting arrangements, agreements on the transfer of voting rights, restrictions on voting rights and rights of disposition, profit distribution agreement), trust, privilege, usufruct or seizure, mortgages, planning agreement, easement (either apparent or non-apparent, voluntary or compulsory), in-rem right, in-rem burden, or other third party right or interest including any rights of first refusal, right of pre-emption, assignment by way of security, reservation of title or any other security interest of any kind however created or arising.
<b>Execution Date</b>	means the date of execution of this Agreement.
<b>Expert</b>	means an auditor chosen from the list of auditors approved in [COUNTRY], independent from the Parties and the Company, appointed by mutual agreement by the Parties or, if the Parties are unable to reach an agreement or the advisor chosen by the Parties does not intend to accept the appointment, chosen by the President of the Enterprise Court of the district in which the registered office of the Company is situated, on the initiative of the most diligent Party, provided that: (i) the Expert shall act as a third party expert (with the exclusion of the mere will; (ii) the Expert shall, subject to the assumption of an appropriate confidentiality undertaking, have unrestricted access to the books, records, documents and information of the Company and the management



thereof; (iii) the Expert shall act not on an equity basis, but in fair judgment; (iv) the Expert shall make and communicate its decision within 20 (twenty) Business Days from the date of acceptance of its appointment; (v) the Expert's decision shall be final and binding upon the Parties and shall not be appealable; and (vi) unless otherwise provided for elsewhere in this Agreement, the Expert's costs shall be borne by the interested Parties pro rata to their respective Shares in the Company's corporate capital.

**Expiration Date**

has the meaning provided for under Paragraph 28.1.

**Exit**

has the meaning provided for under Paragraph 18.2.

**Final Notice**

has the meaning provided for under Paragraph 23.11.

**First Rank Shareholders**

has the meaning provided for under Paragraph 23.2.

**Founders**

means together [●], [●] and [●].<sup>4</sup>

**Good Leaver Events**

means, with respect to a Manager, one of the following events:

(i) the termination unilaterally by the Company or in mutual consent of the cooperation agreement or management contract, as the case may be, between a Manager (or his service company, as the case may be) on the one hand and the Company on the other hand, except in the event of proven intentional or due to grave fault or fraud by the Manager;

(ii) the termination of the cooperation agreement or management contract, as the case may be, between a Manager (or his service company, as the case may be) on the one hand and the Company on the other hand, due to illness or disability of the Manager or its permanent representative lasting more than [6 (six)] months;

(iii) the termination of the cooperation agreement or management contract, as the case may be, between a Manager (or his service company, as the case may be) on the one hand and the Company on the other hand, due to the death of the Manager or its permanent representative;

(iv) [to be specified per transaction].

---

<sup>4</sup> This definition has to be used only in presence of Current Shareholders other than the Company's founders.

<b>Half-Year Report</b>	has the meaning provided for under Paragraph 9.1.
<b>IPO</b>	has the meaning provided for under Paragraph 19.1.
<b>Independent Director</b>	means the directors of the Company appointed pursuant Paragraph 7.1(c). <sup>5</sup>
<b>Initial Notice</b>	has the meaning provided for under Paragraph 23.7.
<b>Intellectual Property</b>	has the meaning provided for under the Investment Agreement.
<b>Investment Agreement</b>	has the meaning provided for under Recital B.
<b>Key Decisions</b>	means, collectively, the Key Decisions Board and the Key Decisions General Meeting.
<b>Key Decisions Board</b>	has the meaning provided for under Paragraph 8.4.
<b>Key Decisions General Meeting</b>	has the meaning provided for under Paragraph 6.1.
<b>Just Cause of Resignation</b>	means any of the following events: <ul style="list-style-type: none"> <li>(i) an illness or injury that results in the inability to regularly fulfil the duties arising from the office held within the Company lasting for 6 (six) consecutive months or for a period of 6 (six) months within 12 (twelve) calendar months or permanent disability that results in the inability to regularly fulfil one's duties arising from the offices held within the Company;</li> <li>(ii) a breach by the Company of its obligations arising from the Law or from the written agreements governing the office and/or role of the member of the management that is not remedied within 30 (thirty) Business Days from the written notice;</li> <li>(iii) any other event qualified as just cause of resignation pursuant to an arbitration procedure or a court procedure.</li> </ul>
<b>Leaver Events</b>	means together the Bad Leaver Events and the Good Leaver Events.
<b>Leaving Manager</b>	means the Manager interested by a Leaver Event.
<b>Liquidation Preference</b>	has the meaning provided for under Paragraph 17.1.
<b>Liquidation Events</b>	means any of the following events:

---

<sup>5</sup> This definition has to be used only if this Agreement provides the appointment of an independent director.

- (i) any distribution of dividends;
- (ii) any bankruptcy, liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other similar transaction;
- (iii) transfer of more than 50% of the Company's corporate capital (even as a result of any of the procedures under Article 12 (*Tag-Along Right*), 13 (*Drag-Along Right*) and 18 (*Exit Procedure*);
- (iv) an IPO;
- (v) a merger, (partial) demerger, contribution of a branch of activity, or other corporate restructuring resulting in a Change of Control of the Company;
- (vi) any transfer of all (or substantially all) the Company's business and/or assets;
- (vii) any other similar transaction or series of transactions that has substantially the same effect as any of the abovementioned transactions other than equity financings.

**Liquidity Event Notice**

has the meaning provided for under Paragraph 9.3.

**Manager**

means a Current Shareholder with a management position in the Company.

**Mandate to Sell**

has the meaning provided for under Paragraph 20.2.

**Market Value**

means the fair market value of the Company's Shares as mutually determined by the Parties or by the appointed Expert taking into account the following elements: (a) the Company is viewed as a going concern; (b) the sale is a voluntary sale and no distinction is made between a minority or majority shareholding.

**Monthly Financial Report**

has the meaning provided for under Paragraph 9.1.

**New Subscription Price**

has the meaning provided for under Paragraph 16.1.

**Non-Compete Obligations**

has the meaning provided for under Paragraph 22.1.

**Non-Compete Period**

has the meaning provided for under Paragraph 22.1.

**Notice of Objection**

has the meaning provided for under Paragraph 13.1.

**Notice of Opposition**

has the meaning provided for under Paragraph 20.3.6.

**Original Subscription Price**

has the meaning provided for under Paragraph 16.1.

<b>Other Shareholders</b>	has the meaning provided for under Paragraph 11.1.
<b>Par Value</b>	means the value of the Shares calculated by dividing the corporate capital of the Company by the number of Shares issued by the Company.
<b>Person</b>	means any individual or entity, corporate or not.
<b>Potential Transferee</b>	has the meaning provided for under Paragraph 11.1.
<b>Pre-Emption Exercise Notice</b>	has the meaning provided for under Paragraph 11.1.
<b>Pre-Emption Exercise Period</b>	has the meaning provided for under Paragraph 11.1.
<b>Pre-Emption Notice</b>	has the meaning provided for under Paragraph 11.1.
<b>Pre-Emption Right</b>	has the meaning provided for under Paragraph 11.1.
<b>Proceeds</b>	has the meaning provided for under Paragraph 17.1.
<b>Second Notice</b>	has the meaning provided for under Paragraph 23.9.
<b>Selected Offer</b>	has the meaning provided for under Paragraph 20.3.6.
<b>Selected Offer Notice</b>	has the meaning provided for under Paragraph 20.3.6.
<b>Shareholder</b>	means, from time to time, any shareholder of the Company.
<b>Shareholders entitled to the Call Option</b>	has the meaning provided for under Paragraph 23.1.
<b>Shareholders Reinforced Majority</b>	means that the decision shall be made by the Shareholders with a qualified majority equal to at least the 50% (fifty per cent) of both Class B Shares and Class A Shares, all treated as a single class of Shares.
<b>Shares</b>	means from time to time the outstanding shares of the Company, whether common or belonging to a special class of shares, each of which represents a fraction of the Company's corporate capital and all of which represent the 100% (one hundred per cent) of the Company's corporate capital.
<b>Shares to Transfer</b>	has the meaning provided for under Paragraph 11.1.
<b>Standstill</b>	means <b>I</b> , collectively, the Class A Shareholders Standstill and the Class B Shareholders Standstill/the Class A Shareholders Standstill <b>I</b> .
<b>Tag-Along Right</b>	has the meaning provided for under Paragraph 12.1.

<b>Trade Sale</b>	has the meaning provided for under Paragraph 20.1.
<b>Transfer</b>	means any transaction <i>inter vivos</i> , both for consideration or free of charge, in any manner accomplished (including sale, donation, exchange in kind, contribution in kind, merger, demerger or distribution as a result of a liquidation) as a result of which, directly or indirectly also through third parties, a Shareholder transfers (including temporarily or fiduciary), or undertakes the obligation to transfer, any rights (including ownership, beneficial rights and the establishing of an Encumbrance) on the Shares to other Persons, including a different Shareholder. The verb “ <b>to Transfer</b> ” shall be construed accordingly with the above definition.
<b>Transfer Consideration</b>	has the meaning provided for under Paragraph 13.1.
<b>Transferring Shareholder</b>	has the meaning provided for under Paragraph 11.1.
<b>Weighted Average Subscription Price</b>	has the meaning provided for under Paragraph 16.1.1.

### 3. INTERPRETATION

#### 3.1. Unless otherwise expressly indicated:

- 3.1.1 Agreement. Any reference to this Agreement includes this Agreement as amended or supplemented in accordance with its terms as well as the Appendices and Schedules to it; a reference to an Article, paragraph, Appendix or Schedule shall be a reference to an article, paragraph, appendix or schedule (as the case may be) of or to this Agreement.
- 3.1.2 Calculation of time period. When calculating the period of days before which, by which or following which any act is to be done or any step is to be taken pursuant to this Agreement, the day that is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, the relevant period shall end on the next following Business Day. Unless otherwise expressly provided for, any period of time expressed in months shall be calculated as provided by the applicable law pursuant to the Article 35 (*Applicable law, dispute resolution and jurisdiction*) below.
- 3.1.3 Pro quota and pro rata. Unless otherwise specifically provided hereunder, the expressions “*pro quota*” or “*pro rata*” when referred to one or more Party exercising the same right or subject to the same obligation shall be referred to the pro quota or pro rata right or, as appropriate, obligation of each Party to be determined on the percentage of ownership of the corporate capital of the Company related to the overall percentage of ownership of the corporate capital of the Company owned by the Parties exercising that same right or subject to the same obligation.

- 3.1.4 Gender and number. Any reference in this Agreement to gender shall include all genders, and words indicating the singular number only shall be deemed to include the plural and vice versa.
- 3.1.5 Headings. The provision of a table of contents, the division of this Agreement into articles, sections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement.
- 3.1.6 Herein and similar. The words such as “herein,” “hereinafter,” “hereof,” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.
- 3.1.7 Including. The word “including”, or any variation thereof, means “including, without limitation” and shall not be construed to limit any general statement to the specific or similar items or matters immediately following it.
- 3.1.8 Laws. Every reference to a particular law, regulation or statutory provision shall be construed also as a reference to all other laws made under the law referred to, and to all such laws as amended, re-enacted, consolidated or replaced or as their application or interpretation is affected by other laws from time to time.
- 3.1.9 Procure. A reference to “procure that” or “cause that” shall mean “procure”, pursuant to article [●] of company law of [COUNTRY], that” even if not specified.

#### **4 SUBJECT MATTER**

- 4.1 The Parties enter into this Agreement, among other things, to govern their reciprocal rights and obligations with respect to:
- (i) the corporate governance of the Company;
  - (ii) the transfer of their Shares, including the Exit; and, in general,
  - (iii) their relationship as Shareholders.
- 4.2 If at any time whilst this Agreement is in force any of its provisions are found to conflict with the Article of Association or other incorporation documents of the Company, the provisions of this Agreement shall prevail among the Parties, considering that the Article of Association has been adopted in view, and on the assumption, of the execution of this Agreement. The Parties acknowledge that their intent is that the Article of Association provide all the required rules to be adopted as law of the Company and to implement the provisions of this Agreement but not to amend them.
- 4.3 The Parties also undertake to:
- 4.3.1 apply the provisions of the Article of Association in a manner consistent with the provisions of the Agreement;
  - 4.3.2 fulfil their obligations under the Agreement.
- 4.4 For the avoidance of doubt, the obligations assumed by the Parties are assumed severally and not jointly among them, except for the obligations assumed by the Class A Shareholders, which are assumed jointly among them.

- 4.5 The Parties hereby undertake to bind, for the duration of this Agreement, all of their Shares to the provisions of this Agreement. The Parties acknowledge that the provisions of this Agreement shall apply automatically, and without the need for any further or different manifestation of will, to any and all the Shares, including additional Shares acquired by them and resulting from, but not limited to, the purchase of Shares or capital increases of the Company and/or any extraordinary transactions involving the Company or its corporate capital.
- 4.6 The Parties agree that the entry of any new Shareholder, other than the Parties, into the corporate capital of the Company is subject to the prior written adherence to this Agreement by the new Shareholder as set out in Article 15 (*Adherence*) below, by sending a notice of such adherence to the Parties. The Parties agree that if any new Shareholder does not accede to this Agreement, the Company shall not register the new Shareholder in the shareholders' register of the Company, and such Shareholder shall not be entitled to exercise its voting and other administrative and corporate rights and shall not be entitled to dispose of its Shares in the Company with effects towards the Company and its Shareholders.
- 4.7 The Parties agree to act and vote at the Shareholders' general meeting of the Company in accordance with the provisions of this Agreement and in the best interests of the Company and, to the extent permitted by the applicable law pursuant to the Article 35 (*Applicable law, dispute resolution and jurisdiction*) below, to procure that their nominee director(s) in the Company shall act in accordance with the provisions of this Agreement. Without prejudice to the autonomy of the directors in the exercise of their functions and their liability to the Company, any acts of the directors in the exercise of their mandate contrary to the provisions of this Agreement shall be construed as a breach of the relevant obligations under this Agreement by the Party that has designated such director(s), so that such Party shall, in addition to any other remedies provided by the applicable law or this Agreement, be obliged to indemnify the other Parties pursuant to article [●] of company law of [COUNTRY].

## **5 PURPOSE OF THE ANGEL INVESTMENT**

- 5.1 The Parties hereby acknowledge and each Party, within its own powers, undertakes to procure that the full amount of the Angel Investment in the Company shall be used for and in compliance with the Business Plan, and in particular to support the Company in all activities aimed at the commercial expansion and deployment of the Company's Business as provided for in the Business Plan.

## **6 GENERAL SHAREHOLDERS' MEETING AND RESOLUTIONS**

- 6.1 The Shareholders' general meeting of the Company shall resolve, both on first and second call, with a simple majority of the votes present or represented with the exception of the matters set out in **Appendix 6.1** (collectively, the "**Key Decisions General Meeting**"), for which Paragraph 6.2 shall apply.
- 6.2 The Key Decisions General Meeting shall require the favorable vote of the Shareholders Reinforced Majority.

## **7 BOARD OF DIRECTORS**

- 7.1 The Board of Directors of the Company shall consist of [●] ([●]) voting members, composed as follows:

- (a) [●] ([●]) directors appointed by Class A Shareholders ("**Director Class A**");
- (b) [●] ([●]) directors, including the Chairman, appointed by Class B Shareholders ("**Directors Class B**")
- (c) [1/2] (one/two) independent directors, including the Chairman, appointed, on the proposal of the Shareholders Reinforced Majority, jointly by all the Shareholders ("**Independent Director**").

- 7.2 It is also agreed that the [Angel Investor is/s, severally and not jointly, are] entitled to appoint 1 (one) observer in the Board of Directors each, it being understood that such observers will receive the board pack and papers as received by the directors and will be invited to each and all board meetings but will have no voting rights in any board meetings. [It is understood that such observers may vary from meeting to meeting.]
- 7.3 Each Director may be revoked by the Party who made the relevant appointment, and all Parties hereby undertake to vote accordingly in the Shareholders' meeting called to resolve upon the new appointment.
- 7.4 Each Director may be re-elected provided he/she has not been revoked in case of proven willful or serious misconduct, fraud or, as the case may be, breach of his/her directorship agreement; in the event that one of the directors ceases from his/her office before the expiration term for whatsoever reason or cause, the Party which originally designated such director shall have the right to designate his/her substitute and the other Parties shall cooperate with the designating Party, so that the above substitute is promptly appointed as director of the Company.
- 7.5 [Class A Shareholders undertake to procure that the Company will enter into a directors&officers professional liability insurance policy (so-called D&O) in favour of all Directors and maintain such insurance policy in force for as long as each Director remain in his/her office.]

## 8 BOARD OF DIRECTORS' MEETINGS AND RESOLUTIONS

- 8.1 Any meeting of the Board of Directors shall be deemed lawfully held solely if the majority of the directors in office are present or represented and, without prejudice to Paragraph 8.4, any resolution of the Board of Directors shall be deemed lawfully passed solely with the positive vote of the majority of directors attending the meeting. Directors with a conflict of interest may not participate in the deliberations or in the vote on the item on the agenda in question, but their presence counts towards the attendance quorum. Their mandates shall be disregarded for the purposes of the voting quorum. [In the event of a tie, the Chairman shall have a decisive vote / In the event of a tie, the decision shall be deemed not to have been adopted.]
- 8.2 The Board of Directors shall meet at least [●] ([●]) times per year. Additional Board of Directors' meetings will be called upon the joint request of at least [●] ([●]) directors or by the Chairman. Board of Directors' meetings may be held at the Company premises or elsewhere, by physical attendance or by video/audio conference, as provided for by the Article of Association.
- 8.3 The Board of Directors, in exercising its office, may be assisted by a technical board according to the procedure, composition and budget determined by resolution of the Board of Directors.



- 8.4 Any resolution on the matters set out in **Appendix 8.4** (the “**Key Decisions Board**”) shall be reserved to the board of directors of the Company, require an attendance quorum of at least 50% (fifty per cent) of its members, including at least 1 (one) Director Class A and at least 1 (one) Director Class B and shall be approved by a majority encompassing at least 1 (one) Director Class A and 1 (one) Director Class B (hereinafter, the “**Board Reinforced Majority**”).

## 9 INFORMATION RIGHTS

- 9.1 Class A Shareholders undertake to procure that the Company will provide, for the first 6 (six) months following the Closing Date, the Shareholders with a monthly financial information report, which shall include in one page the profit and loss of the Company for the relevant month and a statement reporting the cashflow, together with the indication of operational Key Performance Indicators (KPIs) (hereinafter, the “**Monthly Financial Report**”), according to the standard report attached hereto as **Appendix 9.1.A**. At the expiration of the first 6 (six) months term referred above, the Company and the Class A Shareholders, each to the extent of its competence, shall have the obligation to provide on a regular monthly basis the Monthly Financial Report to the Shareholders. In addition to the above, Class A Shareholders undertake to procure that the Company will provide the Shareholders each 6 (six) months a half-year report, according to the standard report attached hereto as **Appendix 9.1.B** (the “**Half-Year Report**”).
- 9.2 In addition to the Monthly Financial Report and the Half-Year Report, Class A Shareholders undertake to procure that the Company will deliver to the Shareholders the audited annual financial statements within the first 120 (one hundred and twenty) calendar days relating to the previous financial year, and, upon request of one of the Shareholders, unaudited quarterly and monthly financial statements, annual budgets and other information reasonably requested by Shareholders.
- 9.3 At least 30 (thirty) calendar days before the occurrence of a Liquidation Event, Class A Shareholders undertake to procure that the Company will send to all Shareholders, with the express consent to communicate such information to their respective parent company, a notice in which it is indicated (i) the nature of the Liquidation Event; (ii) if applicable, the third parties involved in the Liquidation Event; (iii) the amount of the Proceeds related to the Liquidation Event (hereinafter, the “**Liquidation Event Notice**”).
- 9.4 Without prejudice to the provisions of Paragraph 9.1 above, each of the Angel Investors, at their reasonable request and on Business Days and during normal working hours, shall be entitled to (i) visit and inspect the Company’s premises and examine and take copies of the books, records and accounts kept by the Company; (ii) perform a full audit on the Company’s business and management; (iii) request and be provided with copy of any document executed by the Company or related to the Company’s Business.

## 10 STANDSTILL

- 10.1 For a period of [●] ([●]) years from the Execution Date, each Class A Shareholders must not Transfer, nor in full or in part, by *inter-vivos deed*, or to constitute any encumbrance on its participations in the corporate capital of the Company (the “**Class A Shareholders Standstill**”), without the prior written consent of the Class B Shareholders’ Majority.
- 10.2 [●] For a period of [●] ([●]) years from the Execution Date, the Class B Shareholders must not Transfer, nor in full or in part, by *inter-vivos deed*, or to constitute any encumbrance on their

participations in the corporate capital of the Company (the “**Class B Shareholders Standstill**”), without the prior written consent of the Current Shareholders’ majority.]

- 10.3 The Standstill commitments shall always have precedence on the other rights foreseen in this Agreement, such as Tag-Along Rights and Drag-Along Rights.

## 11 PRE-EMPTION RIGHT

- 11.1 Without prejudice to the provisions set forth in Article 10 (*Standstill*) above, in the event that a Shareholder (hereinafter, the “**Transferring Shareholder**”) intends to Transfer all or part of its Shares (hereinafter, the “**Shares to Transfer**”) to a third party, also already a Shareholder (the “**Potential Transferee**”), all the Shareholders other than the Transferring Shareholder (the “**Other Shareholders**”) shall be entitled to the right of pre-emption (hereinafter, the “**Pre-Emption Right**”), alternative to the Tag-Along Right, and the following provisions shall apply:

11.1.1 the Transferring Shareholder shall first offer the Shares To Transfer to Other Shareholders holding its same class of Shares and then to the Shareholders holding different class of Shares, by means of a written notice, sent by registered letter with acknowledgement of receipt or certified e-mail, to each Other Shareholder and copied to the Company’s Board of Directors indicating the (i) value of the Shares To Transfer and the percentage of the Company’s corporate capital represented by the same, (ii) the identity of the potential third-party purchaser, (iii) the agreed consideration (and, should the consideration be in kind, the Transferring Shareholder shall indicate the cash consideration for which the Angel Investor(s) may exercise the Pre-Emption Right), (iv) the terms of payment, (v) any conditions precedent to the transfer of the Shares To Transfer, (vi) the representations and warranties to be issued in favour of the purchaser and the related indemnity and/or hold harmless commitments, as well as (vii) any other terms and conditions of the transfer (hereinafter, the “**Pre-Emption Notice**”);

11.1.2 In the absence of the information referred to in Paragraph 11.1.1 above, the Pre-Emption Notice shall remain ineffective and the Transferring Shareholder may not proceed with the Transfer of the Shares to Transfer.

11.1.3 each Other Shareholder may exercise the Pre-Emption Right only with respect to the entire Shares To Transfer, by means of a written notice (hereinafter, the “**Pre-Emption Exercise Notice**”) to be sent to the Transferring Shareholder and to the Company’s Board of Directors, on penalty of forfeiture, within 15 (fifteen) Business Days following the receipt of the Pre-Emption Notice (hereinafter, the “**Pre-Emption Exercise Period**”), it being understood that if one or more Other Parties exercise the Pre-Emption Right within the Pre-Emption Exercise Period the Shares to Transfer are transferred pro rata and *pari passu* among the Parties, while if one or more Other Parties do not exercise the Pre-Emption Right within the Pre-Emption Exercise Period, the other Parties shall purchase the remaining Shares to Transfer and the related pro-quota shall be increased accordingly;

11.1.4 in the event of the exercise of the Pre-Emption Right within the Pre-Emption Exercise Period, the transfer to Other Parties of the Shares To Transfer shall take place under the same terms and conditions set forth in the Pre-Emption Notice and the transfer of the Shares To Transfer shall be executed, in accordance with the legal formalities

required by the applicable law, within 30 (thirty) Business Days following the expiration of the Pre-Emption Exercise Period or, should the Transfer be subject to conditions precedent, following the satisfaction of such conditions precedent;

11.1.5 if none of the Other Parties exercised the Pre-Emption Right within the Pre-Emption Exercise Period and if the Tag-Along Right has not been exercised, where applicable, pursuant to Article 12 (*Tag-Along Right*) below, the Transferring Shareholder shall have the right (but not the obligation) to transfer the Shares To Transfer to the potential purchaser under the same terms set out in the Pre-Emption Notice, within 30 (thirty) Business Days following the expiry of the Pre-Emption Exercise Period or, should the Transfer be subject to conditions precedent, following the satisfaction of such conditions precedent, it being understood that if such transfer is not carried out within such period, the Transferring Shareholder may not transfer the Shares To Transfer without first carrying out a new offer procedure to the Angel Investors of the Shares To Transfer in accordance with the provisions of this Article 11;

11.1.6 if the Shares To Transfer are to be Transferred free of charge, or against a consideration in kind (such as, for example, in the case of an exchange, contribution of capital in kind, donation, merger or spin-off), the Other Parties shall have the right, to be exercised at the same time as the exercise of the Pre-Emption Right, to challenge the cash consideration indicated in the Pre-Emption Notice and request to purchase the Shares To Transfer at a cash price equal to the Market Value determined by the Expert. Within 15 (fifteen) Business Days from the date on which the Expert has communicated the Market Value to the interested Parties, the Transferring Shareholder may or may not send a new Pre-Emption Notice on the understanding that: (a) if it sends such new Pre-Emption Notice, it must indicate, on penalty of ineffectiveness of such new Pre-Emption Notice, the Expert's determination of the Market Value as the consideration for the Shares To Transfer; and (b) if it does not send such new Pre-Emption Notice, it may not transfer the Shares To Transfer to a third party. The Expert's determinations shall be final and binding between the Transferring Shareholder and Angel Investor(s), without any possibility of appeal or challenge;

11.1.7 It is understood that the Share to Transfer subject to pre-emption will be automatically converted into the class of Shares held by the purchase Party ("**Automatic Conversion**"). Following the Automatic Conversion, it will be the duty of Directors of the Company to file the text of the new Article of Association, as resulting of the Automatic Conversion, in the competent Company Registry. It is understood that, if required by the competent Company Registry, the Board of Directors will have to convene an extraordinary general meeting of the Company to state that the Automatic Conversion has taken place, and to make the consequent amendments to the Article of Association. In that case, the Parties undertake to perform all activities and/or actions and/or formalities that are necessary for the Automatic Conversion.

11.1.8 the expenses, charges and indirect taxes that may be related to the purchase and sale of the Shares to Transfer shall be borne by the purchasing Party.

11.2 In the event of a transfer of Shares carried out without complying with the foregoing, the acquirer shall not be entitled to exercise voting and other administrative rights and may not dispose of the Shares with effect for the Company.

## 12 TAG-ALONG RIGHT

- 12.1 Subject to the provisions of Articles 10 (*Standstill*), 11 (*Pre-Emption Right*), 14 (*Permitted Transfers*) and 17 (*Liquidation Preference*), if one or more Shareholders intend Transfer Shares in aggregate representing less than 25% (twenty-five per cent) of the corporate capital of the Company to a Potential Transferee, after having received the Pre-Emption Notice and as an alternative to use the Pre-Emption Right, the Angel Investors, in the cases set forth under (a) and (b) below, or all Other Shareholders in the case of (b) below, may request in writing, within the Pre-Emption Exercise Period, the Transferring Shareholder, who must consent thereto, to procure the Transfer to the Potential Transferee (the "**Tag-Along Right**") of:
- (a) the Shares owned by the Angel Investors using the Tag-Along Right in proportion to the Shares to Transfer, if the Shares to Transfer are less than or equal to 50% of the corporate capital of the Company; or
  - (b) the entire Shares of the Shareholders using the Tag-Along Right, if the Shares to Transfer represent more than 50% of the corporate capital of the Company;
- all under the same terms and conditions as the Transferring Shareholders, subject to the distribution of the consideration for the Transfer, which shall take place in accordance with the provisions of Article 17 (*Liquidation Preference*) below.
- 12.2 In the event of the exercise of the Tag-Along Right, in the case referred to in (a) or (b) of Paragraph 12.1 above:
- (a) the Other Shareholder who has exercised such right shall be obliged, at the same time as the transfer by the Transferring Shareholders of the Shares to Transfer to the Potential Transferee, to proceed to the transfer of all or part of its Shares to the Potential Transferee, under the same terms and conditions as the Transferring Shareholders, by signing every contract, deed and document and by performing any other act necessary for this purpose;
  - (b) the Transferring Shareholder who proceeds to transfer the Shares to Transfer shall ensure that, at the same time as purchasing its Shares, the Potential Transferee also purchases the Shares of the Shareholder who has exercised the Tag-Along Right, under the same terms and conditions as the purchase of the Shares to Transfer. Otherwise, the Transfer in favour of the Potential Transferee shall not take place.
- 12.3 If the consideration offered by the Potential Transferee for the purchase of the Shares to Transfer does not exist, cannot be determined for any reason whatsoever or does not consist, in whole or in part, of money, the Shareholders who have exercised the Tag-Along Right shall have the right to request that it be determined by a third arbitrator pursuant to article [●] of the company law of [COUNTRY], appointed by the President of the Court of the place where the Company has its seat.
- 12.4 The formalisation of the Transfer of the Shares of the Shareholders who have exercised the Tag-Along Right to the Potential Transferee shall take place on the same day and place as the transfer of the Shares to Transfer to the Potential Transferee.
- 12.5 If the Tag-Along Right has not been exercised by any of the Shareholders in accordance with the provisions of this Article 12 and without prejudice to the provisions of Article 11 (*Pre-Emption Right*), the Transferring Shareholders shall have the right (but not the obligation) to

Transfer to the Potential Transferee the Share to Transfer, on the same terms and conditions as set out in the Pre-Emption Notice.

- 12.6 In the event that, even after any notice of exercise of the Tag-Along Right, the Transfer of the Shares to Transfer does not take place for any reason whatsoever, within and no later than 90 (ninety) Business Days from the date of expiration of the Pre-Emption Exercise Period (or, if applicable of obtaining the last authorisation and/or authorisation required by law and/or applicable regulations), the Transferring Shareholder(s), if it intends to Transfer to a Potential Transferee the Shares to Transfer, shall have to carry out again the procedure provided for in this Article 12 in order to allow the Angel Investor(s) and, as the case may be, the other Shareholders to exercise the Tag-Along Right.

### 13 DRAG-ALONG RIGHT

- 13.1 Notwithstanding the provisions set forth in the previous Articles 10 (*Standstill*), 11 (*Pre-Emption Right*), 12 (*Tag-Along Right*) and 14 (*Permitted Transfers*), in the event that (i) a substantial majority of the Shareholders, who jointly hold at least 70% (seventy per cent) of the corporate capital of the Company including at least the Shareholders Reinforced Majority (the “**Dragging Shareholders**”) receive and decide to accept a purchase offer from Potential Transferee for the entire their Shares, the Dragging Shareholders shall have the right to request and obtain, in order to satisfy the request of the Potential Transferee, that all other Shareholders (the “**Dragged Shareholders**”) sell to the aforementioned Potential Transferee all their Shares (the “**Dragged Shares**”) under the same terms and conditions offered to the Dragging Shareholders (the “**Drag-Along Right**”), all subject to the following terms and conditions:
- (a) the Drag-Along Right must be exercised by the Dragging Shareholders by sending the Pre-Emption Notice to the Dragged Shareholders, specifying the intention of the Dragging Shareholders to exercise the Drag-Along Right, the name and identification data of the Potential Transferee, the sale price and, where possible and already determined, the other terms and conditions of the sale (the “**Drag-Along Notice**”);
  - (b) the sale of the Dragged Shareholders’ Shares in favour of the Potential Transferee, in case of valid exercise of the Drag-Along Right, must take place for a consideration equal, on a pro-quota basis, to that offered to the Dragging Shareholders by the Potential Transferee and indicated in the Pre-Emption Notice (the “**Transfer Consideration**”); the execution of the sale and payment of the consideration must take place contextually at the same time for the Dragging Shareholders and the Dragged Shareholders and under the same terms and conditions;
  - (c) in the event that any Dragged Shareholder considers that the Transfer Consideration calculated on the basis of a valuation of 100% (one hundred per cent) of the Company’s corporate capital is lower than the Market Value, the interested Dragged Shareholder may send to the Dragging Shareholders, within 10 (ten) Business Days from receipt of the Drag-Along Notice, by registered letter with acknowledgement of receipt or certified email, a written objection (hereinafter, the “**Notice of Objection**”). In the event that no Notice of Objection is sent within the above term of 10 (ten) Business Days, the Drag-Along Right shall be deemed to have been validly exercised at a fair price and the Dragged Shareholders shall be obliged to transfer all their Shares to the Potential

Purchaser in accordance with the provisions of this Article 13. Otherwise, in case the Notice of Objection is sent within the above term, the following procedure shall apply:

- (i) within 10 (ten) Business Days from the date of receipt by the last Selling Shareholder of the Notice of Objection, the Dragging Shareholders and the interested Dragged Shareholder shall appoint the Expert for the purpose of determining the Market Value;
- (ii) in the event that the Market Value determined by the Expert on the basis of a valuation of 100% (one hundred per cent) of the corporate capital of the Company on a fully diluted basis is equal to or lower than the Transfer Consideration, the Drag-Along Right shall be deemed to have been validly exercised at a fair price and the Dragged Shareholders (including the objecting Dragged Shareholder) shall be obliged to transfer all their Shares to the Potential Purchaser in accordance with the provisions of this Article 13. In such event, the Expert's costs shall be deemed to be borne by the objecting Dragged Shareholder;
- (iii) in the event that the Market Value determined by the Expert on the basis of a valuation of 100% (one hundred per cent) of the corporate capital of the Company on a fully diluted basis is higher than the Transfer Consideration, the Drag-Along Right shall be deemed not to have been validly exercised at a fair price and the Dragged Shareholders (including the objecting Dragged Shareholder) shall not be obliged to transfer their Dragged Shares to the Potential Purchaser, unless the Dragging Shareholders, at their own discretion, within the term of 10 (ten) Business Days from the Expert's decision, notifies the Dragged Shareholders of their binding commitment to pay to the Dragged Shareholders the difference between the Market Value determined by the Expert and the Transfer Consideration relating to the Dragged Shares. It is understood that, in both the above cases, the Expert's costs shall be borne by the Dragging Shareholders proportionally to their participation in the corporate capital of the Company;
- (iv) in the event that the Drag-Along Right is exercised and the relevant conditions are met, the Dragged Shareholders shall be obliged to sell to Potential Purchaser, jointly with all the Shares of the Dragging Shareholders, all the Shares held by them in the corporate capital of the Company in accordance with the provisions of this Article 13 at the same time, at the same price and under the same conditions as the Dragging Shareholders (without prejudice to the provisions of Paragraph 13.1(iii)).

13.2 The Parties acknowledge that the Drag-Along Right would only be applicable after that the Standstill period is expired.

## **14 PERMITTED TRANSFERS**

14.1 The Parties hereby acknowledge and agree that the Parties can always freely Transfer their Shares (in which case Articles 10 (*Standstill*), 11 (*Pre-emption Right*) and 12 (*Tag-Along Right*), 13 (*Drag-Along Right*) shall not apply) in the following case:

- (i) with prior written consent of the Board of Directors as a Key Decision Board<sup>6</sup>;

---

<sup>6</sup> Attention: the formalities to be fulfilled to transfer shares must be examined per country.

- (ii) by a Party who is a physical person, in the event of death, to their spouse, their descendants and their ascendants or for succession planning purposes;
- (iii) by a Party to a Controlling/Controlled company. The concerned Parties must prove such Control upon first request of the other Parties. Should the Control over the acquiring Company change after the transfer, the original seller is required to buy back the Shares, otherwise this will be considered as a transfer to which pre-emptive rights are applicable;
- (iv) as a result of an absorption, merger, or de-merger of a Party which is an entity, whereby the transferring Party retains Control, as stipulated above; and/or
- (v) as a result of the exercise of a Call option.

14.2 The Parties hereby acknowledge and agree that the Transfers of Shares set out in the Paragraph 14.1 above are subject to (a) the adherence of the Transferee to this Agreement as set out in Article 15 below (*Adherence*) and to other corporate documentation in order for the transfer to be valid assuming all the rights and obligations existing upon the transferring Party as well as any surviving obligation under the Investment Agreement, and (b) the Transferring Party remaining jointly and severally liable with each Transferee for any breaches of the provisions of this Agreement by the latter.

## 15 ADHERENCE

15.1 The Parties expressly agree and acknowledge that should a third party acquire and/or subscribe any Shares, as a consequence of (i) a Transfer of Share or (ii) issuance of new Shares or conversion of instruments of the Company, such third party shall adhere to this Agreement as condition to such acquisition or subscription, [pursuant to article [●] of the company law of [COUNTRY],] by way of execution of the deed of adherence attached hereto as **Appendix 15.1** (the “**Deed of Adherence**”) whereby the latter irrevocably and unconditionally agrees to be bound by the provisions of this Agreement as if it were a “Party” hereunder and, in case of transfer, assuming pro-quota all rights and obligations of the transferor this Agreement pertaining to the relevant transferred and/or issued series of Shares. Upon delivery of such Deed of Adherence to all the Parties by such third-party, all references to a Party(ies) hereunder shall include the same third party as better detailed therein.

## 16 ANTI-DILUTION

16.1 In any event that the Shareholders’ general meeting of the Company resolves a capital increase (other than (i) any capital increase reserved for directors, employees and/or consultants and/or managers in the context of an incentive plan intended for them and (ii) any capital increase made necessary by legal provisions for the recapitalization of the Company as a result of losses pursuant to article [●] of the company law of [COUNTRY]) that provides for a subscription price on a fully diluted basis for each newly issued Shares (hereinafter, the “**New Subscription Price**”) that is lower than the subscription price paid for by Angel Investors for each Class B Share (of the respective class held by them) in the context of the Angel Investment (hereinafter, the “**Original Subscription Price**” and the

---

By way of example, in Italy, the provision that the transfer of shareholdings is subject to the prior approval of the corporate bodies constitutes a legitimate cause for the shareholders’ withdrawal under article 2469 of the Italian Civil Code.



capital increase the “**Dilutive Capital Increase**”), the number of each Angel Investor’ Shares will increase, without the need for further contributions by each Angel Investor and without a special resolution of the Shareholders’ general meeting, as an automatic increase in the number of each Angel Investor’ Shares so that each Angel Investor’s shareholding in the Company’s corporate capital is the same as the shareholding it would hold if the Original Subscription Price had been equal to the New Subscription Price. It benefits from an arithmetic weighted average anti-dilution protection (hereinafter, the “**Weighted Average Anti-Dilution Protection**”) and the following provisions shall apply:

16.1.1 all Shareholders shall procure that the Company issues Class B Shares (of the respective class held by them) reserved to B Shareholders, without the necessity to provide for further capital contributions by the Shareholders and without any capital increase, for an amount adequate to allow each of the B Shareholders concerned to hold, following the subscription and release of the Dilutive Capital Increase, a number of B Shares (of the respective class held by them) equal to the shares which they would have subscribed if the subscription price for each respective B Shares had been equal to the average of the Original Subscription Price and the New Subscription Price (hereinafter, the “**Weighted Average Subscription Price**”). Therefore, for the purposes of determining the number of the newly issued Class B Shares to be allotted to each B Shareholder, the following formula will apply:

$$P_2 = P_1 * (A+B) / (A+C)$$

where:

$P_2$  = Weighted Average Subscription Price

$P_1$  = Original Subscription Price paid by Class B Shareholders for each Class B Share in the context of the Angel Investment

A = the number of Shares outstanding immediately prior to the Dilutive Capital Increase

B = the total amount received by the Company from the subscription and release of the Dilutive Capital Increase divided by  $P_1$

C = aggregate number of the Shares issued in the framework of the Dilutive Capital Increase

16.2 the Weighted Average Anti-Dilution Protection in favour of Class B Shareholders is subjected to the subscription, in whole or in part, of the Dilutive Capital Increase.

16.3 Following the resolution of the Dilutive Capital Increase and the related Weighted Average Anti-Dilution Protection in favour of Class B Shareholders it is understood that in the event of any future Dilutive Capital Increases, the Original Subscription Price shall be equal to the Weighted Average Subscription Price. It

## 17 LIQUIDATION PREFERENCE

17.1 Without prejudice to Paragraph 9.3, any proceeds arising from any Liquidation Event (hereinafter, the “**Proceeds**”) shall be paid or distributed among the Shareholders in



accordance with the following criteria, procedures and order of preference (hereinafter, the “**Liquidation Preference**”):

- 17.1.1 firstly, to all the Shareholders, *pari passu* and pro rata among them, up to an amount equal to the Par Value of the total number of Shares held by each of them in the corporate capital of the Company;
  - 17.1.2 secondly, after full payment has been made to all Shareholders as set forth above, to the Class B Shareholders pro-rata and *pari passu* among them, up to an amount equal to the higher of (a) the amount paid in cash to the Company by each Class B Shareholder for the purchase and subscription, as the case may be, of its overall Class B Shares, and (b) the amount to which each Class B Shareholder would be entitled if the Proceeds were distributed *pari passu* and *pro rata* among all Shareholders and without applying the waterfall set out in this Article 17;
  - 17.1.3 thirdly, after full payment has been made to Class B Shareholders as set forth above, all the Shareholders other than the Class B Shareholders will be entitled to receive from any remaining Proceeds, pro-rata and *pari passu* among them in proportion to the participation held by each of them in the corporate capital of the Company.
- 17.2 Each Party undertakes to take all the measures necessary to apply the regulations set forth in this Article 17. In particular, any sale and purchase agreement of Share as well as any other agreement, falling within the scope of the Liquidation Preference clause, shall provide the necessary provisions to allow the distribution of Proceeds in accordance with this Article 17.
- 17.3 The Parties acknowledge and agree upon the essential circumstance that any Proceeds shall be allocated according to the Liquidation Preference. Should a Party receive amounts of the Proceeds in excess than those it would have been entitled to pursuant to the Liquidation Preference in accordance with the above provisions, then such Party undertakes to promptly return the amounts in excess to the relevant parties so that the latter receive the amounts which they would have received in case the Proceeds would have been distributed in accordance with the Liquidation Preference.

## **18 EXIT PROCEDURE**

- 18.1 The Parties hereby acknowledge that the Angel Investment made by Angel Investors in the Company is based on the essential assumption for the Angel Investors that they shall realize their investment in the Company by [DATE].
- 18.2 As from the expiry of the Standstill, without prejudice to the Liquidation Preference, and pursuant to the Class B Shareholders’ Majority, which shall indicate one of the following option that shall be carried out as first, the Parties and the Company shall cause (i) the Board of Directors to start an IPO; or (ii) the starting of a Trade Sale (as defined below and, collectively, the “**Exit**”), according to the provisions of Articles 19 (*IPO*) and 20 (*Trade Sale*) below, it being understood that the Exit shall be completed by [DATE]. In the event that the Exit is not completed by [DATE], the Class B Shareholders’ Majority shall have the right to extend such term until [DATE] and, in any case, shall have the right to cause the Parties and the Company to start a new Exit procedure if necessary.
- 18.3 The Parties hereby acknowledge and agree that, in any case of Exit:

18.3.1 Class B Shares shall be granted with a preferential right to Exit on the basis of the Liquidation Preference pursuant to Article 17;

18.3.2 Class B Shareholders will not be obliged to give any representations nor warranties (other than capacity and free ownership) nor assume indemnification obligations in connection thereto.

## **19 IPO**

19.1 Provided that the market conditions and compatibility with Company's Business are met, Class B Shareholders' Majority, according to Paragraph 18.2 above, shall have the right to decide that the Company shall seek admission to the listing on regulated market or on a multilateral trading facility (hereinafter, the "**IPO**").

19.2 In the event that the Class B Shareholders' Majority decide to carry out the IPO of the Company, the Parties and the Company shall work diligently to achieve this aim, within the timeframe indicated by Class B Shareholders' Majority, taking all actions and activities necessary or useful to achieve the listing, undertaking, *inter alia*, to (i) vote at the Shareholders' general meeting in favour of the IPO, (ii) approve the necessary amendments to the article of association and corporate governance, requested for the purposes of the IPO, and (iii) adhere to the standstill and/or sell-down arrangements requested by the global coordinator and/or by any person who, under applicable Law, will be entitled to do so. It is understood that, at any time during the IPO process, Class B Shareholders' Majority shall have the right to decide that the Company should interrupt the IPO process.

19.3 The role of global coordinator and any other advisors and consultants involved in the IPO shall be assigned to an investment bank of primary national or international standing, selected by the Class B Shareholders' Majority.

19.4 Unless otherwise agreed by the Parties, Angel Investors shall give no warranties and assume no indemnification obligations that may be required during the IPO, except for warranties relating to the ownership of the Shares and the absence of Encumbrances on the same.

19.5 The costs associated with the IPO process, including the fees payable to the global coordinator and any other advisor and consultant, shall be borne by the Company.

19.6 This Agreement shall remain in full force and effect until the actual placing of the Shares, except otherwise requested by the global coordinator.

## **20 TRADE SALE**

20.1 The following provisions shall apply in case Class B Shareholders' Majority decide for a trade sale process, all Parties and the Company shall take all actions as required in order to find a buyer for the majority up to 100% (one hundred per cent), on a fully diluted basis, of the Shares or the entire business as going concern (hereinafter, the "**Trade Sale**") for a consideration, unless otherwise agreed by the Parties, not lower than the Market Value each Shareholder is entitled to receive.

20.2 In case of exercise by the Class B Shareholders' Majority of the right to initiate the Trade Sale and within 10 (ten) Business Days from the date thereof, the Current Shareholders irrevocably undertake, as of now, to grant (and to ensure that any assignees who have acquired their relevant Shares grant) to Class B Shareholders' Majority a mandate with

special power of attorney to proceed with the sale, with the assistance, where appropriate, of an Advisor, of the 100% (one hundred per cent) of all their Shares by means of a notarised private deed (hereinafter, the “**Mandate to Sell**”). It is understood that the text of the Mandate to Sell shall adapted to the regulatory requirements and any other formal requirements according to the indications of the authenticating notary public. It is also understood between the Parties and the Company that in the event of the entry of new Shareholders in the corporate capital of the Company, such new Shareholders shall also be required to undertake to grant to the Class B Shareholders’ Majority – for the purpose of selling the Shares held by them – the Mandate to Sell under the terms and conditions set forth in this Paragraph, which, together with the additional provisions of this Article 20, shall also apply *mutatis mutandis* to such new Shareholders, failing which, Paragraph 4.6 above shall apply.

20.3 The Parties hereby further agree that:

- 20.3.1 the Parties, each as far as it lies within the respective powers, shall cause the Company – upon request of the Class B Shareholders’ Majority – to appoint the Advisor to assist Class B Shareholders’ Majority in connection with the Trade Sale;
- 20.3.2 the Trade Sale shall be structured according to process rules determined by the Class B Shareholders’ Majority together with the Advisor, if appointed;
- 20.3.3 subject to a standard confidentiality agreement, the Parties and the Company shall procure that the prospective buyers are allowed to conduct the required due diligence on the Company and on the Company’s Business, granting the required access to relevant documentation and the management;
- 20.3.4 the selection of the prospective buyers shall be conducted by the Class B Shareholders’ Majority and the Advisor (if appointed) in the interest of all Shareholders; the Class B Shareholders’ Majority and the Advisor (if appointed) shall negotiate with the prospective buyer the conditions of the possible sale on the basis of documents prepared by the legal and other advisors appointed by the Company’s Board of Directors with the Board Reinforced Majority;
- 20.3.5 the Mandate to Sell will have a duration of **12 (twelve)** months and may be renewable;
- 20.3.6 if, as a result of the Trade Sale process, a firm offer is made by a prospective buyer and is accepted by the Class B Shareholders’ Majority (hereinafter, the “**Selected Offer**”) then such Selected Offer shall be communicated to the Current Shareholders and the notary selected by the Class B Shareholders’ Majority (the “**Notary**”) in writing, by registered letter with acknowledgement of receipt or certified email (PEC) (hereinafter, the “**Selected Offer Notice**”) with 11 (eleventh) Business Days’ notice prior to the date indicated therein for the execution of the transaction before the Notary. In the event that any Shareholder other than Class B Shareholders’ Majority considers that the consideration of the Selected Offer calculated on the basis of a valuation of 100% (one hundred per cent) of the Company corporate capital is lower than the Market Value, the interested Shareholder may send to the Class B Shareholders’ Majority and the Notary, within 10 (ten) Business Days from receipt of the Selected Offer Notice, by registered letter with acknowledgement of receipt or certified email, a written objection (hereinafter, the “**Notice of Opposition**”). In the event that no Notice of Opposition is sent within the above term of 10 (ten) Business

Days, the Selected Offer shall be deemed made at a fair price and, accordingly, accepted by and binding on all Parties. Otherwise, in case the Notice of Opposition is sent within the above term, the following procedure shall apply:

- (i) within 10 (ten) Business Days from the date of receipt by the Class B Shareholders' Majority of the Notice of Opposition, the Class B Shareholders' Majority and the interested Shareholders shall appoint the Expert for the purpose of determining the Market Value;
- (ii) in the event that the Market Value determined by the Expert on the basis of a valuation of 100% (one hundred per cent) of the corporate capital of the Company on a fully diluted basis is equal to or lower than the consideration of the Selected Offer, the Selected Offer shall be deemed made at a fair price and, accordingly, accepted by and binding on all Parties. In such event, the Expert's costs shall be deemed to be borne jointly by the objecting Shareholders;
- (iii) in the event that the Market Value determined by the Expert on the basis of a valuation of 100% (one hundred per cent) of the corporate capital of the Company on a fully diluted basis is higher than the consideration of the Selected Offer, the Selected Offer shall be deemed not made at a fair price and, accordingly, not accepted by and not binding on all Parties, unless the Angel Investors, at their own discretion, within the term of 10 (ten) Business Days from the Expert's decision, notify the Current Shareholders of their binding commitment to pay to the Current Shareholders the difference between the Market Value determined by the Expert and the consideration of the Selected Offer relating to the Shares of such Other Shareholder. It is understood that, in both the above cases, the Expert's costs shall be borne by the Angel Investors proportionally to their participation in the corporate capital of the Company;

20.3.7 shall the Selected Offer become binding on all Parties pursuant to Paragraph 20.3.6, the Parties shall, to the extent necessary, (i) negotiate the relevant offer in good faith; (ii) finalize the sale and purchase agreement and the other relevant transaction documents (provided that the final transaction documentation shall reflect, and be fully consistent with the provisions of this Agreement), (iii) enter into the sale and purchase agreement in respect of all the Shares or cause the Company to enter into the asset purchase agreement in respect of the business, as the case may be, and the other relevant transaction documents and (iv) proceed to closing in accordance with the terms of the sale and purchase agreement or cause the Company to proceed to closing in accordance with the asset purchase agreement, as the case may be;

20.3.8 in the context of the Trade Sale, the Shareholders shall assume customary non-compete and non-solicitation undertakings *vis-à-vis* the third-party purchaser.

## **21 TOP-UP ARRANGEMENT**

21.1 Should the Angel Investors realize an exit through the sale of their Shares to (one or more of) the Current Shareholders, who subsequently resell their Shares (partially or not) at a higher price, the Angel Investors will be entitled to a supplementary payment:

- (a) should such a sale by the Current Shareholders take place within 12 months after the Angel Investors' exit, the exit value will be retroactively equated with the sale value;
- (b) should such a sale take place between 12-24 months after the Angel Investors' exit, then the Current Shareholders shall pay a percentage of the difference between the sale value and the exit-value of the Investors to the latter. This percentage will decrease in linear fashion by 8.33% for each month (from 100% to 0% over such a period of 12 months)

After 24 months the right to supplementary payment for the Angel Investors expires.

## **22 CLASS A SHAREHOLDERS' STABILITY, EXCLUSIVITY AND NON-COMPETE OBLIGATIONS**

- 22.1 Without limitation to any other obligation provided for by the Law, each Class A Shareholder undertakes, as long as they remain Shareholder, director or employee of the Company and for the following 2 (two) years (hereinafter, the "**Non-Compete Period**") and unless it obtains the prior written consent of the Angel Investors' majority, the following obligations (hereinafter, the "**Non-Compete Obligations**"):
  - 22.1.1 to maintain his operational role within the Company and not to resign without Just Cause of Resignation from his position as a director or employee of the Company;
  - 22.1.2 to devote his full capacity and work activity in favour of the Company to the extent and for the time necessary to ensure the effective and profitable execution of the Company's duties and the development of the Company's Business;
  - 22.1.3 not to carry out in Italy or in the other countries of geographic Europe, directly or indirectly by means of third parties, natural persons and/or legal entities, Competitive Activities;
  - 22.1.4 not to assume or hold, either directly or indirectly through third parties, shares or interests in any enterprise, individual or corporate, company or other entity (unless in a listed company where it is a merely financial investment), based in any country of geographical Europe, that carries out Competitive Activities;
  - 22.1.5 not to hire or make offers of employment of any kind to employees or collaborators of the Company;
  - 22.1.6 not to induce, either directly or indirectly, any of the Company's employees, agents or contractors to terminate their employment, agency or consulting relationship with the Company;
  - 22.1.7 not to enter into agreements with or enter into business negotiations regarding Competitive Activities, either directly or indirectly, with the Company's customers, suppliers, sub-suppliers and distributors outside the activities carried out on behalf of and/or in the interest of the Company;
  - 22.1.8 not to induce, directly or indirectly, any of the Company's customers, suppliers, sub-suppliers or distributors to terminate their relationship with the Company;
  - 22.1.9 not to develop, file and/or register any trademark (or other Intellectual Property asset), before any competent office worldwide, similar to or connected with those registered and/or used by the Company;

22.1.10 not to develop new inventions and/or patent before any competent office worldwide any invention that could potentially compete with the Company's inventions and products, whether patented or not, including any evolution or innovation of patents owned by the Company, as well as any other invention that could achieve the same result by using different technical solutions or that in any manner could interfere with the activity carried out by the Company.

22.2 The Parties acknowledge that the Non-Compete Obligations provided for in Paragraph 22.1 are an integral and substantial part of the overall transaction covered by this Agreement of which they are an ancillary covenant and find adequate remuneration in the set of rights attributed to them under this Agreement. Non-Compete Obligations do not apply in case of bankruptcy of the Company.

22.3 The Parties acknowledge and agree that neither Angel Investors nor any of the Angel Investors' shareholder or its Controlled or Controlling entities will be bound by any non-compete obligation - for any reason whatsoever - involving Angel Investors (or its partners, Controlled or Controlling entities), even in the event of a divestment from the Angel Investment in the Company.

## 23 CALL OPTION

23.1 If the cooperation agreement between a Manager and the Company terminates, for whatever reason, the [Angel Investors / Parties] (the "**Shareholders entitled to the Call Option**") have an unconditional right to purchase (the "**Call Option**") the Shares such Manager holds in the Company (the "**Call Option Shares**"). However, the Call Option does not apply if the termination is accompanied by the simultaneous conclusion of a new management agreement with the Company (e.g. for another assignment). It can be invoked in full if this new agreement is terminated.

23.2 The purchase right of the Shareholders entitled to the Call Option is relative to the number of Shares they hold in relation to the total number of Shares that all the Shareholders entitled to Call Option together hold in their possession (the "**First Rank Shareholders**"). The part of the Call Option that is not exercised by one party, belongs to the other shareholders who benefit from the Call Option. The Shareholders entitled to the Call Option can always reach a different distribution agreement. They shall inform the outgoing Manager and the Board of Directors of this at the appropriate time.

23.3 The Call Option, however, must be exercised by the Shareholders entitled to the Call Option on the totality of the Shares to which the Call Option relates.

23.4 The purchase right procedure is conducted between those parties who, within the time limit applicable to the pre-emptive right, have expressed their wish to exercise their Call Option.

23.5 The Call Option as granted by this Article is of indefinite duration.

23.6 The price at which the Call Option may be exercised is determined as follows:

(a) in case of a Bad Leaver Event, the Call Option Shares shall be transferred at a price equal to [25%-75%] of the Market Value of the Call Option Shares;

(b) in case of a Good Leaver Event, the Call Option Shares shall be transferred at the Market Value

(hereinafter, the "**Call Option Purchase Price**").

It is understood between the Parties that, in the first instance, the Market Value is determined in mutual consultation between the Manager and the Shareholders entitled to the Call Option. If the Parties do not reach an agreement on the Market Value of the Shares within a period of 14 (fourteen) days from the Date of Termination (as defined hereafter), they will in consultation with each other within the period of 14 (fourteen) days appoint an Expert. This Expert will determine the Market Value within 30 (thirty) days of his appointment in a final and binding matter. The date on which the Market Value is determined between the parties or the date on which the price is notified to the Company by the Expert shall be deemed to be the **"Date of Price Determination"**.

- 23.7 The Call Option can be exercised up to [ 20 (twenty)] working days after the termination of the cooperation agreement with the Manager has been notified or agreed (the **"Date of Termination"**). At the time of termination, the Board of Directors will inform the First Rank Shareholders entitled to the Call Option by a registered letter in an **"Initial Notice"**:
- (a) the Date of Termination of the cooperation agreement;
  - (b) the number of Shares on which the shareholders entitled to Call Option have a right to exercise the Call Option; and
  - (c) the number of Shares on which each party concerned has a Call option according to the proportional distribution.
- 23.8 The Shareholders entitled to the Call Option will contact the Manager for the determination of the Market Value. After the Date of Price Determination, each Shareholder entitled to the Call Option has [10 (ten)] working days to inform the departing Manager or his legal successors and the Board of Directors of the Company by registered letter whether he / she is exercising his Call Option and on how many Shares he / she will exercise the Call Option.
- 23.9 The Board of Directors shall communicate the result of this first round to all Shareholders entitled to the Call Option and to the Leaving Manager within [20 (twenty)] days of the Date of Price Determination (the **"Second Notice"**).
- 23.10 As from this Second Notice, shareholders who have exercised their Call Option have [15 (fifteen)] days to confirm the number of Shares they additionally wish to purchase from the Shares that were eligible for the Call Option but were not purchased by the Shareholders entitled to the Call Option.
- 23.11 After this second round, the Board of Directors shall communicate the result of the round to all First Rank Shareholders entitled to purchase and to the Leaving Manager within [10 (ten)] days of the conclusion of the second round (the **"Final Notice"**).
- 23.12 The transfer of ownership and the payment of the Shares for which the Call Option has been exercised occur simultaneously within one month of the conclusion of the Call Option procedure.
- 23.13 The proceedings are deemed to be closed:
- (a) on the date of sending the Second Notice if the exercise of the Call Option in this first round relates to all the Call Option Shares; or
  - (b) on the date of dispatch of the Final Notice otherwise.
- 23.14 The transfer of Call Option Shares' ownership only takes place at the time of payment.



- 23.15 During the period the Call Option procedure is ongoing, the voting rights attached to the Call Option Shares in the Company or the group related companies are suspended, without this suspension lasting more than 6 (six) months. The Leaving Manager always has the right to vote if a proposal for a decision seriously prejudices his rights in the context of the transfer as a result of the exercise of the Call Option.

## **24 INTELLECTUAL PROPERTY**

- 25.1 The Parties agree that any discovery, invention, secret process or improvement in procedure made or discovered by the Current Shareholders while in the service of the Company or while a Shareholder in connection with or in any way affecting or relating to the Company's Business or capable of being used or adapted for use in or in connection with the Company's Business shall as soon as reasonably practicable be disclosed to the Company and shall belong to and be the absolute property of the Company.
- 25.2 The Current Shareholders (whether before or after ceasing to be a direct or indirect Shareholder or ceasing to be an employee or engaged as a consultant or director of the Company) shall at the expense of the Company or its nominee apply or join in applying for patent or other similar protection in any part of the world for any such discovery, invention, process or improvement as referred to in Paragraph 25.1 above, and shall execute all instruments and do all things necessary for vesting those letters patent or other similar protection when obtained and all right and title to and interest in them in the Company (or its nominee) absolutely and as sole beneficial owner.

## **25 KEY PERSONNEL**

- 26.1 the Current Shareholders undertake to procure that all persons (management, employees, independent employees or otherwise affiliated with the Company) being part of to the Company's key personnel have an agreement with the Company that includes similar commitments (up to the maximum permitted by applicable law) with respect to non-competition, prohibition of solicitation, confidentiality and intellectual property rights.

## **26 SHAREHOLDERS' CONFIDENTIALITY COMMITMENT**

- 27.1 Each Shareholder undertakes, as long as they remain Shareholder and for the following [5 (five)] years, not to disclosure, circulate and use, while taking all necessary measures to protect the Confidential Information.

## **27 DURATION**

- 28.1 The Parties acknowledge and agree that this Agreement shall terminate on the [5<sup>th</sup> (fifth)] anniversary of the Execution Date (the "**Expiration Date**").
- 28.2 This Agreement shall be automatically renewed at the Expiration Date for a further term of 5 (five) years unless one Party delivers to the others a written notice of termination not later than 180 (one hundred and eighty) days prior to the Expiration Date.
- 28.3 Without prejudice to the provisions set forth under Articles 22.1, 27.1, 29.1 and 35, this Agreement shall automatically terminate with respect to the Party(ies) who cease(s) to own any Shares, except for the rights accrued or the obligations incurred by such Party under this Agreement prior to such termination (including any liability for breach of this Agreement).



## 28 CONFIDENTIALITY

- 29.1 The Parties undertake to keep strictly private and confidential this Agreement, its terms and conditions and all other matters relating thereto, provided however that nothing herein shall limit the ability of the Angel Investors to make public their investment in the Company.
- 29.2 The confidentiality obligations provided under this Article 28 shall not apply to any disclosure to authorities required by applicable laws or by orders issued by such authority.

## 29 NOTICES

- 30.1 Any notices and communications relating to this Term Sheet shall be addressed as follows:

if to Current Shareholder 1:



If to Current Shareholder 3



if to Angel Investor 1:



if to Angel Investor 3:



If to the Company:



if to Current Shareholder 2:



if to Angel Investor 2:



or to such other address or number that any of the Parties and the Company may communicate to the other after the date of this Agreement in accordance with the above provisions, always provided that with the addresses indicated above, or such other addresses as may be communicated in the future (and which shall be effective as regards the other Party only after 10 (ten) days have passed from the date of receipt of the relevant communication), the Parties and the Company elect their own domicile for all purposes relating to this Agreement, including those for any judicial notices.

- 30.2 Any notice so served by hand or post shall be deemed to have been received:

30.2.1 in the case of delivery by hand, when delivered;

30.2.2 in the case of delivery by common electronic mail, on the day in which the email is sent;

30.2.3 in the case of delivery by registered mail with acknowledgement of receipt or certified electronic mail, on the date indicated in the return receipt or, as appropriate, on the date and time certified by the confirmation message;

provided that where, in the case of delivery by hand or by electronic mail, such delivery or transmission occurs after 6 p.m. on a Business Day or on a day that is not a Business Day, service shall be deemed to occur on the next following Business Day. References to time in this Article 29 are to local time in the country of the addressee.

### **30 ENTIRE AGREEMENT**

- 31.1 This Agreement constitutes the entire agreement between the Parties and the Company in respect of the subject matter hereof and supersedes all prior agreements relating to the same matter, with the exception of the Investment Agreement.
- 31.2 Each Party and the Company undertakes via à vis the other Parties to perform correctly in good faith the obligations assumed in accordance with this Agreement.

### **31 AMENDMENTS**

- 32.1 Any amendment of this Agreement or additional obligations assumed by each Party and the Company in connection with the subject matter hereof shall be binding only if evidenced in writing and signed by the duly authorized representatives of all the Parties and the Company.

### **32 TOLERANCE**

- 33.1 Any tolerance by a Party or the Company of a failure by the other Parties or the Company to perform any provision of this Agreement does not constitute a waiver of the rights resulting from such breach nor of the right to require that all the provisions of this Agreement are duly and timely performed.
- 33.2 No waiver by a Party or the Company of a failure by the other Parties or the Company to perform any provision of this Agreement shall operate or be construed as a waiver in respect of any other failure, whether of a like or different character.

### **33 ASSIGNMENT PROHIBITED**

- 34.1 Neither Party nor the Company may assign this Agreement or any of its rights, interests or obligations hereunder without the prior written consent of the other Parties.

### **34 INVALIDITY**

- 35.1 If any of the provisions of this Agreement is or becomes invalid, void, illegal or unenforceable under the law, the validity, legality or enforceability of the remaining provisions shall not be affected or impaired anyhow. The Parties and the Company shall nevertheless negotiate in good faith in order to agree the terms of a mutually satisfactory provision, achieving so nearly as possible the same commercial effect, to be substituted for the provision so found to be invalid, illegal or unenforceable.

### **35 APPLICABLE LAW, DISPUTE RESOLUTION AND JURISDICTION**

- 36.1 This Agreement is governed by, and construed in accordance with, [COUNTRY] law.
- 36.2 [All disputes arising out of - or in connection with this - Agreement (including its validity, interpretation, performance or termination) will be settled amicably as much as possible. If the parties fail to reach an amicable settlement, a mediator will be appointed no later than 2 (two) months after the dispute has arisen. If no mediator is appointed within 2 (two) months or if the mediation does not lead to an agreement within two months of appointment, the disputes will be definitively settled by means of arbitration via an independent arbitration procedure (Shareholders' lawyers led by an independent lawyer to be appointed by them, the costs of which will be shared among all).

36.3 The aforementioned does not affect the Parties' right to claim temporary measures from the President of the Enterprise Court where the registered office of the Company is located or any other competent court. / All disputes arising out of - or in connection with this - Agreement (including its validity, interpretation, performance or termination) shall be exclusively settled by the Court of [CITY], with the exclusion of any other Court. ]

**List of Appendices:**

- Appendix D – Company's captable;
- Appendix 6.1– Key Decisions General Meeting;
- Appendix 8.4– Key Decisions Board;
- Appendix 9.1.A – Monthly Financial Report;
- Appendix 9.1.B - Half-Year Report;
- Appendix 15.1– Deed of Adherence;

*Signature page follows*

\*\*\*\*\*

Executed on [DATE], in as many originals as there are parties. Parties agree that (i) electronic signatures which qualify as an advanced or a qualified e-signature under the eIDAS Regulation (Regulation (EU) N°910/2014) or (ii) scan copies of duly signed counterpart signature pages to this Agreement transmitted by email in .pdf format, will have the same probative value as a wet ink original paper document bearing a manually signed signature.

<b>Name:</b>	
<b>Place of residence:</b>	
<b>Date:</b>	
<b>Signature:</b>	

<b>Name:</b>	
<b>Place of residence:</b>	
<b>Date:</b>	
<b>Signature:</b>	

<b>Name:</b>	
<b>Place of residence:</b>	
<b>Date:</b>	
<b>Signature:</b>	

<b>Name:</b>	
<b>Place of residence:</b>	
<b>Date:</b>	
<b>Signature:</b>	

<b>Name:</b>	
<b>Place of residence:</b>	
<b>Date:</b>	
<b>Signature:</b>	

<b>Name:</b>	
<b>Place of residence:</b>	
<b>Date:</b>	
<b>Signature:</b>	

<b>Name:</b>	
<b>Place of residence:</b>	
<b>Date:</b>	
<b>Signature:</b>	

<b>Name:</b>	
<b>Place of residence:</b>	
<b>Date:</b>	
<b>Signature:</b>	

**Appendix D**  
**Company's captable**

## Appendix 6.1

### Key Decisions General Meeting

Without prejudice to the application of stricter provisions in the company law of [COUNTRY], the following resolutions ("**Key Decisions General Meeting**") are only approved if at least fifty percent (50%) of the outstanding voting Shares are present or represented and if the majority of the outstanding voting Shares of Class A are present or represented and if the majority of the outstanding voting Shares of Class B are present or represented.

The Key Decisions General Meeting must be approved by a simple majority of the Shares present or represented and, in addition, by at least fifty percent (50%) of the Shares present or represented in Class A and at least fifty percent (50%) of the Shares present or represented in Class B. (the "**Shareholders Reinforced Majority**").

#### The Key Decisions General Meeting:

- 1 dissolution or liquidation of the Company;
- 2 the sale or transfer of an industry or an important activity of the Company;
- 3 merger or demerger of the Company, formation of an alliance;
- 4 amendment of the Articles of association of the Company;
- 5 changes in the registered corporate capital;
- 6 issuance of Shares, convertible bonds, options, subscription rights or other securities and/or other derivative financial instruments;
- 7 approval of the annual accounts;
- 8 appointment and dismissal of directors, supervisory board members and liquidators and the determination of their remuneration;
- 9 the appointment of liquidators as well as their remuneration;
- 10 appropriation of the profit for the financial year;
- 11 any decision relating to the issue of options, subscription rights.

## Appendix 8.4

### Key Decisions Board

The following decisions ("**Key Decisions Board**") can only be validly taken if the majority of the directors are present or represented, including at least one (1) Director Class A and at least one (1) Director Class B.

The Key Decisions Board are approved by a simple majority of the votes of the directors present or represented and require the approval of at least fifty percent (50%) of the Directors Class A and at least fifty percent (50%) of the Directors Class B (the "**Board Reinforced Majority**").

#### The Key Decisions General Meeting:

1. approval of the annual business plans and any significant deviations from them, as well as significant changes in the strategy, capital structure and debt burden contained in an approved business plan;
2. all decisions (loans, purchases, sales, rentals, recruitments, guarantees, etc.) that are not provided for in the budget as approved by the Board of Directors and have an impact of more than 10,000 (ten thousand) EUR per year;
3. amending signature powers within the Board of Directors or the management, amending proxies or delegating powers from the board of directors, and appointing a managing director;
4. all decisions concerning the intellectual property rights of the Company, with the exception of acquiring patents or licenses and granting non-exclusive licenses which do not fall within the normal course of business of the company;
5. all decisions concerning the filing, transfer, assignment, pledging, transfer, transfer of patents, licences and/or any other intellectual property rights other than those in the ordinary course of business (e.g. software licences);
6. acquisition and/or disposal of equity interests (meaning as such, by way of example, shares, quotas, warrants, options on shares or quotas, bonds convertible into shares or quotas, participatory and non-participatory financial instruments, whether convertible or not) in other companies or entities of other kinds in excess of [●];
7. entering into an agreement between the Company and Affiliates, whereby a stakeholder who is also (directly or indirectly) a director will in this case not participate in the deliberations or in the vote; for the determination of the attainment of the attendance quorum or the required majority to be able to take a valid decision, the provisions of the Articles of Association are calculated without taking into account such stakeholder;
8. the purchase of own Shares of the Company or Controlled companies, their sale or pledging (pursuant to a valid authorisation of the general meeting);



9. the adoption of the annual accounts and the proposal for the distribution of profits to the ordinary general meeting;
10. the proposal for and determination of the manner in which a capital increase will be carried out;
11. approval or amendment of stock option plans and/or other incentive schemes as well as any resolution related to their execution (including, but not limited to, the identification of the relevant beneficiaries and the allocation of option rights);
12. any decision and proposal regarding the hiring, the remuneration (including bonuses, commissions, or benefits) and any variation in the working relationship (employment or otherwise) of any employee and/or other type of worker for the Company who earns a gross annual remuneration (RAL) in excess of € [●] [●], if not provided for in the approved annual budget[●];
13. any proposal or decision to take on financing in excess of a total of € [●] per contract, or grant financing (or any other form of financial indebtedness to be granted by the Company to third parties);
14. resolutions to bring or settle litigation with a value in excess of € [●];
15. purchase and/or sale (in any form and/or under any title), lease and/or other schemes with similar effects having as their subject the Company's assets with a unified (*unitario*) value equal to or greater than € [●];
16. [any decision within the framework of an authorisation granted by the general meeting concerning the "authorised capital"[●];
17. any decision and approval of reports relating to a merger, demerger, transfer of all or a significant part of the business.

**Appendix 9.1.A**  
**Monthly Financial Report**

**Appendix 9.1.B**  
**Half-Year Report**

## Appendix 15.1

### Deed of Adherence

### Deed of Adherence

DATED: \_\_\_\_\_

BY [\*\*\*]

### INTRODUCTION

- (A) By a transfer dated at the date hereof, [●] (the “**Transferring Shareholder**”) transferred to [●] (the “**Transferee**”) no. [●] [Common]/[Class A]/[Class B] Shares each in the capital of [●] (the “**Company**”) (together the “**Transferred Shares**”).
- (B) This deed is entered into in compliance with the terms of the shareholders' agreement relating to the Company dated [●] executed among [●], on one side, and [●], on the other side (as such parties are therein identified and defined) (the “**Shareholders' Agreement**”).

### AGREED TERMS

1. Words and expressions used in this deed shall have the same meaning as is given to them in the Shareholders' Agreement unless the context otherwise expressly requires.
2. The Transferee hereby agrees:
  - (a) to assume the benefit of the rights of the Transferring Shareholder under the Shareholders' Agreement in respect of the Transferred Shares; and
  - (b) to assume and assumes the burden of the Transferring Shareholder's obligations under the Shareholders' Agreement to be performed after the date hereof in respect of the Transferred Shares.
3. The Transferee hereby agrees to be bound by the Shareholders' Agreement in all respects as if the Transferee were a Party to the Shareholders' Agreement and to perform:
  - (a) all the obligations of the Transferring Shareholders in that capacity thereunder; and
  - (b) all the obligations expressed to be imposed on such a Party to the Shareholders' Agreement;in both cases, to be performed or on or after [the date hereof].
4. This deed is made for the benefit of:
  - (a) the Parties to the Shareholders' Agreement; and

(b) any other person or persons who may after the date of the Shareholders' Agreement (and whether or not prior to or after the date hereof) assume any rights or obligations under the Shareholders' Agreement and be permitted to do so by the terms thereof,

and this deed shall be irrevocable without the consent of the Company acting on their behalf in each case only for so long as they hold any shares in the capital of the Company.

5. Nothing in this deed shall release the Transferring Shareholder from any liability in respect of any obligations under the Shareholders' Agreement due to be performed prior to the date of this deed.

6. None of the Parties:

(a) makes any representation or warranty or assumes any responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of any of the Shareholders' Agreement (or any agreement entered into pursuant thereto);

(b) makes any representation or warranty or assumes any responsibility with respect to the content of any information regarding the Company or otherwise relating to the acquisition of shares in the Company; or

(c) assumes any responsibility for the financial condition of the Company or any other party to the Shareholders' Agreement or any other document or for the performance and observance by the Company or any other party to the Shareholders' Agreement or any other document (save as expressly provided therein),

and any and all conditions and warranties, whether express or implied by law or otherwise, are excluded.

7. This deed shall be governed by and construed in accordance with the laws of [COUNTRY].

8. All disputes arising out of - or in connection with this – deed of adherence (including its validity, interpretation, performance or termination) shall be exclusively settled by the Court of [CITY], with the exclusion of any other Court.

SIGNED as a DEED by

[•]

\_\_\_\_\_

*This document is provisional and is currently pending input from a local legal expert. It provides only a general overview and should not be considered complete or legally binding. Under no circumstances can it be considered to be binding legal advice.*

*Neither ESIL2 nor any of the consortium partners, contributors or affiliates can be held responsible for any errors, omissions, or deficiencies in these templates, nor for any issues or disputes arising from their use. The responsibility for the final structuring, negotiation, and execution of any transaction lies solely with the users.*

*Please contact a qualified attorney for specific advice regarding the national legislation.*



## SHAREHOLDERS AGREEMENT

### Key Legal Considerations for Bulgaria

This one-pager provides an overview of the three most important legal considerations of the template Shareholders Agreement for cross-border investments in Bulgaria and does not constitute binding legal advice. Please always consult a legal expert for specific advice. For further legal assistance, please see the contact details below.

#### 1. Legal Consideration 1

In regard to Clause 16.1 Parties need to know that under Bulgarian legislation a capital increase requires a contribution by the subscribing shareholder to the minimum amount of the shares nominal(par) value and that with some exceptions where the capital increase can be made with a resolution of the Board of Directors, the Shareholders' general meeting needs to adopt a special resolution for the capital increase.

#### 2. Legal Consideration 2

While there isn't one exhaustive statutory definition of Conflict of interest in Bulgarian legislation, Bulgarian commercial law and corporate governance principles emphasize the director's duty of loyalty to the company. However, this means that the conflict of interest needs to be included as a definition in the SHA, otherwise it may be subject to interpretation.

#### 3. Legal Consideration 3

While the terms "pre-emption right" and "right of first refusal" are often used interchangeably, there's a legal distinction, particularly in jurisdictions like Bulgaria. Pre-emption gives existing shareholders the first opportunity to purchase newly issued shares by the company before they are offered to external investors or the public. ROFR gives a priority to acquire an existing asset if the owner decides to sell it to someone else.

#### Contact Information

For more legal information about Bulgaria, please contact our partner:

Law Firm Name: Dimitrova Staykova and Partners

Contact Person: Att. Bilyana Dimitrova

Email Address: b.dimitrova@dsp.bg

Phone Number: 00 359 888 370812



Logo • LAW OFFICE •

Disclaimer: This one-pager provides an overview of the most important legal considerations and does not constitute legal advice. Please always consult a legal expert for specific advice.