

CONVERTIBLE LOAN AGREEMENT

between

Company s.r.o.

Founder One

Founder Two

Lead Investor s.r.o.

Co-Investor 1 s.r.o.

Co-Investor 2 s.r.o.

This **CONVERTIBLE LOAN AGREEMENT** (the “**Agreement**”) is executed pursuant to Section 1746 (2) and Section 2395 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended (the “**Civil Code**”)

BETWEEN

- (1) **Company s.r.o.**, ID No. (IČ): **12345678**, with its registered seat at **Street 123, 110 00 Praha 1, Czech Republic**, registered in the Commercial Register maintained by the **Municipal Court in Prague, Section C, Insert 123456**, bank account **No: 1234567890/1234, IBAN: CZ11 1111 1111 1111 1111, BIC: ASDFGHJ, email: email@example.com** (the “**Company**”);
- (2) **Founder One**, born on **January 1, 2000**, residing at **Street 123, 110 00 Praha 1, Czech Republic, email: email@example.com** (the “**Founder 1**”);
- (3) **Founder Two**, born on **January 1, 2000**, residing at **Street 123, 110 00 Praha 1, Czech Republic, email: email@example.com** (the “**Founder 2**”; the Founder 1 and the Founder 2 collectively as the “**Founders**” or individually as the “**Founder**”);
- (4) **Czech Founders Ventures s.r.o.**, ID No. (IČ): **12345678**, with its registered seat at **Street 123, 110 00 Praha 1, Czech Republic**, registered in the Commercial Register maintained by the **Municipal Court in City, Section C, Insert 123456, email: email@example.com** (the “**Lead Investor**”);
- (5) **Co-Investor 1 s.r.o.**, ID No. (IČ): **12345678**, with its registered seat at **Street 123, 110 00 Praha 1, Czech Republic**, registered in the Commercial Register maintained by the **Municipal Court in City, Section C, Insert 123456, email: email@example.com** (the “**Co-Investor 1**”); and
- (6) **Co-Investor 2 s.r.o.**, **12345678**, with its registered seat at **Street 123, 110 00 Praha 1, Czech Republic**, registered in the Commercial Register maintained by the **Municipal Court in City, Section C, Insert 123456, email: email@example.com** (the “**Co-Investor 2**”; the Lead Investor, the Co-Investor 1 and the Co-Investor 2 collectively as the “**Investors**” or individually as the “**Investor**”);

(the Company, the Founders and the Investors collectively as the “**Parties**” or individually as the “**Party**”)

1. INTRODUCTORY PROVISIONS

- 1.1. The Company is developing the following product (tool): **short but accurate description of the product here** (the “**Product**”).
- 1.2. The aim and objective of the Company is to further develop the Product, commercialize the Product and maximize the value of the ownership interest of all the shareholders in the Company for the purpose of selling the Company in a private or capital market. The Investors wish to assist the Company to achieve the above aims and objectives and the Company wishes to obtain this assistance from the Investors. For this purpose, each of the Investors is willing to provide the Company with a loan under the terms specified hereunder.
- 1.3. Capitalization table showing the existing structure of the Company’s shareholders forms Annex 1 hereto.

2. PROVISION AND PURPOSE OF THE LOANS

- 2.1. The Lead Investor undertakes to provide the Company, at the Company’s request and for the Company’s benefit, subject to terms and conditions hereof with funds totaling **EUR 1 (in words: one euro)**, and the Company undertakes to repay the funds to the Lead Investor (the “**Loan 1**”). The Parties hereby agree that the Loan 1 shall be provided by the Lead Investor in 1 (one) tranche within 14 (fourteen) days from the date of signing of this Agreement.
- 2.2. The Co-Investor 1 undertakes to provide the Company, at the Company’s request and for the Company’s benefit, subject to terms and conditions hereof with funds totaling **EUR 1 (in words: one euro)**, and the Company undertakes to repay the funds to the Co-Investor 1 (the “**Loan 2**”). The Parties hereby agree that the Loan 2 shall be provided by the Co-Investor 1 in 1 (one) tranche within 14 (fourteen) days from the date of signing of this Agreement.
- 2.3. The Co-Investor 2 undertakes to provide the Company, at the Company’s request and for the Company’s benefit, subject to terms and conditions hereof with funds totaling **EUR 1 (in words: one euro)**, and the

Company undertakes to repay the funds to the Co-Investor 2 (the “**Loan 3**”; the Loan 1, the Loan 2, and the Loan 3 collectively as the “**Loans**” or individually as the “**Loan**”). The Parties hereby agree that the Loan 3 shall be provided by the Co-Investor 2 in 1 (one) tranche within 14 (fourteen) days from the date of signing of this Agreement.

- 2.4. The Loans **are interest-free and shall not bear any interest**. The Loans shall convert into the Investors’ shareholding interests (shares) in the Company under the terms of this Agreement, unless repaid by the Company to the Investors under the terms and conditions hereof.
- 2.5. The Company hereby requests the Investors to provide the Company with the Loans. The Loans shall be transferred by the Investors to the Company’s bank account specified in the header of this Agreement.
- 2.6. The Company may use the Loans to finance the general working capital needs, its operations, further development of the Product, and other activities aimed to increase the value of the Company. The Company may not, under any circumstances, use the Loans to repay any other loans of the Company or to pay damages, unjust enrichment or any other amount of similar nature to any party other than to the respective Investor that has provided the respective Loan to the Company.

3. LOAN MATURITY

- 3.1. The Loans shall become due under the following circumstances (whichever occurs first):
 - (a) On the day of the Company’s **Qualified Financing**, which means a subsequent (immediately following) financing round in which a new investor acquires a shareholding interest (share) in the Company for an investment amounting to at least **EUR 1,000,000 (in words: one million Euros)**, whereas any and all outstanding convertible loans (debts) provided to the Company, including also the Loans provided by the Investors to the Company hereunder, shall not be taken into account for the purpose of calculation of the total investment to the Company and determining whether or not the Company’s Qualified Financing has occurred;
 - (b) On the day of a Maturity Event, which means any of the following events, whichever occurs first (the “**Maturity Event**”):
 - i. **24 (twenty-four) months** from the date of signing of this Agreement (the “**Maturity Date**”);
 - ii. **material breach of this Agreement** by the Company or the Founder, which means any violation hereof that is considered serious under Section 2002 (1) of the Civil Code or under this Agreement and remains uncured for a period of 30 (thirty) business days;
 - iii. **material adverse economic situation** of the Company, which means: (i) the Company is declared void, (ii) winding-up or liquidation proceedings of the Company are initiated, or (iii) insolvency proceedings against the Company are initiated according to Act No. 182/2006 Coll., on Bankruptcy and Settlement Thereof (Insolvency Act), as amended (the “**Czech Insolvency Act**”), and such situation remains uncured for a period of 30 (thirty) business days.
- 3.2. Neither of the Loans may be prepaid without the prior written consent of the respective Investor.
- 3.3. A due Loan shall convert into a shareholding interest (share) in the Company under the terms set out in Art. 4 hereof.

4. CONVERSION AND REPAYMENT OF THE LOANS

- 4.1. The Company must promptly provide the Investors with all information and related documentation on the circumstances under which the Loans have become (or are most likely to become) due. In case of subsequent financing round, the Company shall provide the Investors at least 30 (thirty) business days in advance with (i) the new investor’s identification details, (ii) documentation of the contemplated financing round containing all material information (i.e., signed term-sheet; if there is no term-sheet, the Founders shall provide information as customarily included in a term-sheet, including the valuation of the Company made by the new investor, amount of the investment, the share size in the Company the new investor demands for the investment, information on the form of the new investment, any special rights granted to the new investor, etc.) and (iii) all related supporting documents.

Conversion upon Qualified Financing

- 4.2. In the event of Qualified Financing, the Loans shall be converted into shareholding interests (shares) in the Company (the “**Share**”). The size of the Share the respective Investor acquires through the conversion

hereunder shall be determined using the following formulas (the result shall be rounded up to two decimal places):

$$\text{Share} = \text{Due Loan Amount} / \text{Valuation} * 100$$

where:

- **Share** means shareholding interest (share) in the Company that the respective Investor shall acquire through conversion of the Loan (in percent).
- **Due Loan** is the principal amount of the Loan provided by the respective Investor hereunder (in EUR); **any accrued interest shall be disregarded.**
- **Valuation** is the figure corresponding to the lower of the values i. or ii. below:
 - i. the discounted post-money valuation of the Company applicable for new investor in the Qualified Financing (in EUR) which shall be calculated as follows: total investment amount paid by the new investor in the Qualified Financing, divided by the total shareholding interest (share size) in the Company acquired by the new investor for such investment (in %), and multiplied by 0.8 (discount), or
 - ii. the amount of **EUR 4,500,000** (the “Valuation Cap”).

4.3. For the avoidance of doubt, the Parties agree that the conversion of the Loan into equity under this Agreement is a “post-money conversion”, meaning that the Share acquired by the Investors through conversion under this Agreement shall not be proportionally decreased (diluted) by shareholding interest (share) acquired by a new investor in the Qualified Financing including also each of the Investors hereunder, as well as by shareholding interest (share) acquired by other investors with convertible loan agreements (including, but not limited to, this Agreement) or other convertible instruments.

Conversion or Repayment upon the Maturity Event

- 4.4.** If the Maturity Event under Art. 3.1 letter (b) point i occurs prior to the Qualified Financing, then the Loan shall be converted into the Share. The size of the Share the respective Investor acquires through the conversion hereunder shall be determined using the formula defined in Art. 4.2 above, whereas the Valuation shall be for this purpose equal to the Valuation Cap multiplied by 0.8 (discount), i.e., the amount of **EUR 3,600,000**. The Parties agree that for the purposes of conversion of the Loans at the Maturity Event under Art. 3.1 letter (b) point i, Art. 4.3 of this Agreement shall apply mutatis mutandis.
- 4.5.** If the Maturity Event under Art. 3.1 letter (b) point ii or iii occurs prior to the Qualified Financing, then each of the Investors shall in its own discretion decide, whether the Loan shall be (i) repaid by the Company immediately, or (ii) converted into the Share in the Company. If the respective Investor decides that the Loan shall be converted into the Share in the Company, then the size of the Share the respective Investor acquires through the conversion hereunder shall be determined using the formula defined in Art. 4.2 above whereas the Valuation shall be for the purpose of the Loan equal to the Valuation Cap multiplied by 0.8 (discount), i.e., the amount of **EUR 3,600,000**. The Parties agree that for the purposes of conversion of the Loans at the Maturity Event under Art. 3.1 letter (b) point ii and iii, Art. 4.3 of this Agreement shall apply mutatis mutandis.
- 4.6.** Each of the Investors shall notify its decision on the repayment or the conversion of the respective Loan hereunder by a written notice delivered to the address or e-mail of the Company specified in the header of this Agreement within 30 (thirty) days upon receiving the Company's notification that the Maturity Event has occurred or is likely to occur. If the respective Investor fails to notify the Company of its decision within the period of time stated in the preceding sentence, the Company shall be entitled to decide instead and on behalf of the respective Investor.

Conversion or Repayment upon Change of Control

- 4.7.** In the event that the Company consummates an event or a series of events that constitute a change of control over the Company, which means (i) any event that results in the Company having a new majority shareholder within the meaning of Section 74 of Act No. 90/2012 Coll., on Companies and Cooperatives (Business Corporations Act), as amended (the “BCA”), (ii) any transformation of the Company within the meaning of Act No. 125/2008 Coll., on Company and Cooperative Transformations, as amended, (iii) any disposal of the Company's enterprise or a substantial part of the Company's enterprise, (iv) disposal of all of the Company's

assets or a substantial part of the Company's assets, or (v) any transfer, lease or other disposal of the Company's intellectual property beyond its standard business operations (the "**Change of Control**"); then, at the election of each Investor made at least 30 (thirty) days prior to the Change of Control, effective upon the Change of Control:

- (a) The respective Loan shall become due, and the respective Investor shall have the right to convert the Loan into the Share according to conditions stipulated in Art. 4.4 hereof; or
- (b) Instead of the conversion as described in (a) above, the Company or the Founders (depending on who receives the financial benefit from the Change of Control) will pay the Investor an aggregate amount equal to **100 % (1.0x)** of the respective Loan.

The Company and the Founders shall notify the Investors of the Change of Control event by a written notice delivered to the address or e-mail of the Investors at least 60 (sixty) days prior anticipated closing date of the Change of Control.

The Parties agree that for the purposes of conversion of the Loans at the Change of Control, Art. 4.3 of this Agreement shall apply mutatis mutandis.

Conversion Procedure

- 4.8. When converting the Loan into the Share according to Art. 4.2, 4.4, 4.5 or 4.7 hereof, the Company and the Founders are obliged to take any and all necessary steps to properly conduct the process of increasing the Company's registered capital in accordance with terms and conditions hereof and applicable law (the "**Capital Increase**").
- 4.9. Unless expressly agreed by the Parties otherwise, the Capital Increase shall be carried out in the manner set out in the following provisions of this Art. 4. The Founders undertake (i) to attend the general meeting of the Company (the "**General Meeting**") (in person or represented on the basis of a power of attorney) and exercise their voting rights at the General Meeting or (ii) to vote for the respective per rollam decision of the shareholders of the Company in the sufficient majority of the shareholders to approve the Capital Increase, in particular to approve and adopt the following:
 - (a) Increase of the Company's registered capital shall be affected by a monetary contribution of the Investors;
 - (b) an amount equal to the monetary contribution by the Investors into the Company's registered capital (corresponding to the Share of the Investor in the amount calculated pursuant to Art. 4.2, 4.4, 4.5 or 4.7 hereof) shall be set off in its entirety against the amount owed to the Investors by the Company for the repayment of the Loans;
 - (c) the outstanding part of the Loans (after the set-off under Art. 4.7 (b) above) shall be converted in its entirety into a monetary contribution outside the Company's registered capital and set-off in its entirety against the Company's claim to the payment of such monetary contribution.
- 4.10. The Company and the Founders shall jointly procure that the Executive Director(s) of the Company convene an extraordinary General Meeting or initiate the voting on the respective per rollam decision, so that it is adopted no later than 30 (thirty) days after receipt of the respective notification from the Investors. The Company and the Founders shall jointly procure that the Founders or, as the case may be, the Executive Director(s) of the Company execute(s) all documents and take(s) any and all necessary steps (as may be required under applicable law and the Articles of Association of the Company) so that the Founders or, as the case may be, shareholders of the Company or the extraordinary General Meeting may decide on the Capital Increase in accordance with the terms specified in this Agreement in a timely manner. Furthermore, the Company, at its own costs, shall obtain any and all documents necessary for the conversion (capitalization) of the Loans and shall provide the Investors with all materials and information necessary for the conversion (capitalization) of the Loans. The Investors shall without undue delay provide any and all assistance and cooperation required for the conversion to take place, in particular to effectuate the contribution in the Company's registered capital, contribution outside the Company's registered capital and set-off of receivables within the meaning of Art. 4.9 above.
- 4.11. The Company shall file an application (incl. request for direct registration by the respective notary public) for registration of the resolution on the Capital Increase along with the new amount of the Company's registered capital in the Commercial Register without undue delay. In the event that the court (or the notary public, as the case may be) refuses to enter the new amount of the Company's registered capital for any reason, the Parties undertake to use their best effort to do or procure to be done any and all such actions and steps and to

execute any and all documents as may be required in order to enter the new registered capital of the Company into the Commercial Register. The Company shall notify the Investors of the day on which the decision of the relevant court on registration of the amount of the new registered capital comes into force without undue delay after such registration.

- 4.12. The Parties undertake to provide any and all reasonable assistance and cooperation which may be required under applicable law in order for the conversion to take place. The Parties shall ensure that no decision or resolution shall be approved or/and no steps obstructing the conversion under this Agreement shall be taken. In particular, and without limiting the generality of the foregoing, the Parties irrevocably and unconditionally agree (i) to effect the Capital Increase under the conditions set out in Art. 4 and (ii) to do all things required or appropriate to achieve the implementation of the conversion and the Capital Increase, including that all shareholders of the Company, which will be shareholders as of the date of the Capital Increase shall vote in favor of the Capital Increase at the relevant General Meeting and shall waive any and all pre-emption rights they may have under applicable law and/or the Company's Articles of Association in respect of such Capital Increase such that the Investor acquires through the conversion hereunder the Share in the amount calculated pursuant to Art. 4.2, 4.4, 4.5 or 4.7 hereof.
- 4.13. If the Company after the signing of this Agreement and prior to conversion of the respective Loan issues any new share(s) or enters into convertible loan agreement (or similar debt instrument) with a lower valuation than the Valuation Cap, then such lower valuation shall be set as the new Valuation Cap for the purposes of this Agreement.

5. INVESTORS' PREFERRED SHARES

Preferred Shares

- 5.1. The Share acquired by the Investors upon conversion under this Agreement shall constitute a share in the registered capital and interest in the Company (including voting rights, profit sharing rights, etc.) and shall constitute a preferred share (in Czech: *preferenční podíl*) with at least the following rights: (i) non-participating Liquidation Preference of 100% of the Loans (1.0x), (ii) pro-rata Right of First Refusal, (iii) Tag-along Right, (iv) Drag-along Right requiring the consent of more than 50% of votes associated with common shares and, at the same time, of more than 50% of votes associated with preferred shares, (v) Pre-emption (pro-rata) right to participate in any subsequent funding rounds of the Company, and (vi) Anti-dilution provision increasing the Investor's share in case of a down-round financing as set forth in Art. 5.5 below (for the avoidance of doubt, the Parties agree that the Investor's share will be subject to standard dilution in case of any up-round financing).
- 5.2. The Investors' preferred shares after the Qualified Financing shall be associated with the same rights and preferences as the most senior shares obtained by the investors in the Qualified Financing but in each case such Investor's shares shall be associated with at least the rights and preferences as defined in Art. 5.1 above.

Pro Rata Right

- 5.3. Each of the Investors shall have a pro-rata priority right (but not an obligation) to participate in any subsequent funding rounds of the Company (i.e., to subscribe, at its sole discretion, a pro-rata share of the subsequent funding round under the same conditions as those offered to other investors) to the extent allowing the Investor to keep the same shareholding interest size that it held (or that it would hold in the event of conversion of the respective Loan under this Agreement) prior to such subsequent funding round.
- 5.4. If any of the Investors exercises its priority right to participate (whether in full or in part) in the subsequent funding round under Art. 5.3 hereof, the other Parties are obliged to allow the respective Investor to participate in the subsequent funding round and they shall take, without undue delay, all necessary steps related therewith (i.e., in particular to convene and to attend the Company's General Meeting without undue delay, waive their pre-emption right to the shares transferred or subscribed (as the case may be) in the subsequent funding round, to waive their pre-emption right to subscribe new contributions in the event of an increase in the registered capital, to transfer a portion of their shares to the respective Investor at their nominal value etc.).

Anti-dilution Protection

- 5.5. If in any of the subsequent financing rounds the Company issues shares for price per share lower than price per Share paid by the Investor in connection with conversion of the Loan pursuant to Art. 4 hereof (the "**Dilution Event**"), the Investor shall be entitled, at its sole discretion, to require the other Parties to procure that the Company issues to the Investor additional preferred shares for their nominal value. The number of the

newly issued preferred shares for the respective Investor shall be calculated on a broad-based weighted average principle based on this formula:

$$ADS = (I / CP2) - ES$$

where:

“**ADS**” means the number of newly issued preferred shares;

“**I**” means the total amount of Loan provided by the respective Investor to the Company before the Dilution Event;

“**CP2**” means the conversion price in effect immediately after new issue which shall be calculated as the weighted average of the prices, at which the share capital of the Company was issued prior to, and within, the Dilution Event, as follows: $CP2 = CP1 * ((A + B) / (A + C))$;

“**CP1**” means the conversion price in effect immediately prior to new issue which shall be equal to the original price for the preferred shares subscribed for by the Investor before the Dilution Event;

“**A**” means the aggregate number of all the shares in the Company outstanding immediately prior to the Dilution Event on a fully diluted basis;

“**B**” means the aggregate investment in the Dilution Event divided by CP1 which corresponds to the number of shares the new investor would have received within the Dilution Event for the price per share corresponding to “**CP1**” (i.e., original price per share paid by the Investor for the preferred shares subscribed for by the respective Investor before the Dilution Event);

“**C**” means the aggregate number of shares issued in the Dilution Event that the new investor will actually receive within the Dilution Event for the price per share of the Dilution Event;

“**ES**” means the number of preferred shares subscribed for by the Investor prior to the Dilution Event.

6. MOST FAVORED NATION

- 6.1. If the Company, after signing this Agreement, enters or has entered into any other convertible loan agreement or other similar instrument with a third party which would result in converting the Company's debt into shares of the Company on conditions or with rights that are more favourable to such a third party than the conditions of conversion of the Loans or rights applicable to the Investors under this Agreement, then the Company will forthwith inform the Investors and shall grant to the Investors the same (more favourable) rights and conditions as granted to such a third party but in any case the standards of the Investors' shareholding interest (share) in the Company and the rights associated with it shall not be lower than that those set out in this Agreement.

7. RESERVED MATTERS

- 7.1. The Parties undertake that throughout the term of this Agreement they shall at all times act, exercise their rights or waive their rights in such a manner to ensure that the purpose of this Agreement is met. Until the Loans are repaid or converted in accordance with this Agreement, the decisions of the Executive Director and the General Meeting of the Company specified in Annex 2 hereto shall be subject to the prior written consent of the Lead Investor, the Co-Investor 1 and the Co-Investor 2 or any two of them (the “**Investors' Majority Consent**”). The Investors may give such consent in writing by e-mail specified in the header of this Agreement, without a verified electronic signature. If any of the Investors fails to express its disagreement within 7 (seven) business days of receiving the request for approval, the respective Investor is deemed to have given its consent. If the Investors' Majority Consent has been, or is deemed to have been, given, the Company or the Company's Executive Director shall not be deemed to be in breach of this Agreement and the respective Investor shall not be entitled to impose a contractual penalty against the Company's Executive Director pursuant to Art. 18 of this Agreement due to the adoption of the relevant decision.
- 7.2. After the conversion of the Loans in accordance with this Agreement, the decisions of the Executive Director and the General Meeting of the Company specified in Annex 3 hereto shall be subject to the prior written consent of majority of votes attached to the preferred shares (and if the Company issues other classes of shares, then majority of shares with voting rights held by shareholders other than the Founders). The Investors may give such consent in writing by e-mail specified in the header of this Agreement, without a verified electronic signature. If any of the Investors fails to express its disagreement within 7 (seven) business days of receiving the request for approval, the respective Investor is deemed to have given its consent. If the majority of votes attached to the preferred shares pursuant to first sentence of this Article has been, or is deemed to

have been, given, the Company or the Company's Executive Director shall not be deemed to be in breach of this Agreement and the respective Investor shall not be entitled to impose a contractual penalty against the Company's Executive Director pursuant to Art. 18 of this Agreement due to the adoption of the relevant decision.

- 7.3. Notwithstanding the above, the Parties agreed that, for the purpose of supporting the Company's growth and development as much as possible, the Investors shall not without a justified reason take any action or, as the case may be, shall not remain inactive (e.g., they shall not be entitled to deny or delay their consent with a particular decision falling within the above reserved matters), if such action or inaction could, directly or indirectly, block any subsequent funding rounds of the Company or otherwise prevent the Company from receiving new investment or funding, whether from current shareholders and investors or new external investors.

8. FOUNDERS' AND SHAREHOLDERS' AGREEMENT

- 8.1. Upon entering into this Agreement, the Founders have presented to the Investors a binding Founders' Agreement containing, inter alia, the following provisions: (i) non-compete obligation of the Founders with respect to the Product and Company's business activities effective for the duration of their participation in the Company and at least 2 (two) years after they cease to hold share in the Company, (ii) non-solicitation obligation of the Founders with respect to the Company's employees, contractors, and clients and effective for the duration of their participation in the Company and at least 2 (two) years after they cease to hold share in the Company, (iii) 4-year reversed vesting of the Founders' shares in accordance with vesting schedule agreed in Founders' Agreement, (iv) dedication obligation of the Founders to perform work or provide services to the Company on a full-time basis, (v) waiver of any IP rights of the Founders related in any way to the business operations of the Company and the Product, and (vi) standard confidentiality clause.
- 8.2. The Parties undertake to execute new binding Shareholders' Agreement in the event of conversion of the Due Loan into the Share in the Company, which shall be executed no later than on the date when the Conversion Procedure as set out in Art. 4.8 through 4.12 of this Agreement shall take place. The new Shareholders' Agreement shall be entered into by all the Parties hereto and, as the case may be, also other investors, whereas the Investors shall be treated on the basis of a *pari passu* principle. The new Shareholders' Agreement shall furthermore contain, inter alia, at least the following provisions: (i) non-compete obligation of the Founders with respect to the Product and Company's business activities effective for the duration of their participation in the Company and at least 2 (two) years after they cease to hold share in the Company, (ii) non-solicitation obligation of the Founders with respect to the Company's employees, contractors, and clients and effective for the duration of their participation in the Company and at least 2 (two) years after they cease to hold share in the Company, (iii) 4-year reversed vesting of the Founders' shares in accordance with vesting schedule agreed in the applicable Shareholders' Agreement, (iv) dedication obligation of the Founders to perform work or provide services to the Company on a full-time basis, (v) waiver of any IP rights of the Founders related in any way to the business operations of the Company and the Product, and (vi) standard confidentiality clause.
- 8.3. In the event of discrepancies between this Agreement and the Founders' Agreement under Art. 8.1 or the new Shareholders' Agreement under Art. 8.2, this Agreement shall prevail.

9. ESOP

- 9.1. The Founders shall within 6 (six) months from the date of signing of this Agreement adopt an employee share option plan from their own shares (not dilutive to the Investors upon conversion) for key personnel of the Company as they are seeking to hire qualified experts for the Company in order to maximise the value of the Company. For this purpose, the Founders agree to establish employee share option plan of the Company (the "**ESOP**") for granting in total **5% to 10%** (five to ten percent) of the Company's shares (determined as of the date of signing hereof), which shall be transferred to the Company's key personnel, managers or service providers participating in the ESOP. The Founders shall contribute their shares into the ESOP pro rata relative to the size of their shareholding interests in the Company. For the avoidance of doubt, the Investors do not and shall not contribute their Share into the ESOP.
- 9.2. The Parties agree that the ESOP will be structured so that the participants receive virtual (phantom) shares and not actual shareholding interest in the Company.
- 9.3. The ESOP shall be administered by the Company pursuant to the terms and conditions of the ESOP that shall be determined by the Company and approved by the Investors.

10. RESTRICTIONS ON TRANSFER OF SHARES

- 10.1. Except as otherwise provided in this Agreement, the Founders undertake not to transfer their shares to any third party for 2 (two) years after the date of this Agreement without the Investors' Majority Consent.

11. FOUNDERS' OBLIGATIONS

- 11.1. The Founders undertake that as long as they hold shares in the Company and subsequently for a period of 2 (two) years after they cease to hold shares in the Company, they shall not offer nor broker employment or a similar contractual relationship to any employee or an external contractor of the Company and that they shall not make attempts to persuade the Company's customers to switch suppliers.
- 11.2. The Founders hereby undertake that as long as they hold shareholding interest in the Company and subsequently for a period of 2 (two) years after they cease to hold shareholding interest in the Company, they shall not, anywhere in the world, whether directly or indirectly and whether for their own or third person's benefit, perform any activity or be involved, whether through capital investment or otherwise, in any operations of any third person that would compete with the business the Company is or will be engaged in during their tenure with the Company (i.e., in particular the development and the sale of the Product).

12. POST-CLOSING OBLIGATIONS

- 12.1. The Founders undertake to ensure, no later than within 2 (two) months after the conclusion of this Agreement, the following:

(a) Obligation 1;

(b) Obligation 2; and

(c) Obligation 3.

- 12.2. The Founders shall provide evidence to the Investors' satisfaction within the deadline set forth in Art. 12.1 above that all obligations under Art. 12.1(a) to (c) have been fulfilled.

13. INTELLECTUAL PROPERTY RIGHTS

- 13.1. With the exception of the rights stated in Art. 12.1(a) and (c), the Founders and the Company hereby represent and warrant that the Company owns or legally possesses all intellectual property rights (in particular, but not limited to, rights to applications, software, databases, other copyrighted work, etc.) necessary to develop and monetize the Product and to ensure proper business operations of the Company, including, but not limited to the right to make changes and modifications hereof as well as the right to further assign such rights to any third party (the "Intellectual Property").
- 13.2. The Founders hereby exclusively, entirely and irrevocably assign to the Company all subjects of the Intellectual Property that relate in any way to the business operations of the Company and the Product and of which they are the authors or to which they exercise rights for another reason and waive their right to any remuneration (including potential extraordinary or additional remuneration) with respect to such Intellectual Property. The Founders and the Company explicitly assure the Investors that in developing the Product they used only such free licenses that do not establish an obligation to release the own code developed by the Company to the public and that cannot in any other way adversely affect the value of the Company, of the Intellectual Property or the monetization of the Product.

14. PUT OPTION OF THE INVESTORS

- 14.1. The Company and the Founders agree to procure that in the event of conversion of the Loans into Shares in the Company each of the Investors shall have the right to request that the Founders purchase (pro rata to their shareholdings in the Company at the time of the request) all the Shares owned by the such Investor(s) for the total price in the amount of EUR 1.00 for all Shares owned by the such Investor(s). In such a case, the Founders are obliged to purchase such Shares from the such Investor(s) without undue delay after the respective Investor's request made, and the Parties are obliged to provide any and all necessary cooperation to complete such a transfer of the Shares from the Investor(s) to the Founders by no later than 10 (ten) business days following a delivery of such an Investor's request to the Founders. The content of the share purchase agreement shall only be limited to provisions that are required by the relevant law and the Investor(s) shall not be liable for any damage caused if its Shares are sold to the Founders and the Founders undertake not to claim and undertake to procure that the Company shall not claim, any damages from such Investor(s). The Parties confirm that this Art. 14.1 is stipulated as a future agreement (in Czech: "smlouva o smlouvě

budouci”) within the meaning of Section 1785 of the Civil Code among the Parties. Each Party explicitly assumes their own risk of circumstances under Section 1765 of the Civil Code.

15. INFORMATION RIGHTS

- 15.1. The Company shall provide the Investors with the following information: (i) proposal of the annual budget no later than 30 (thirty) calendar days before the beginning of each financial year, (ii) unaudited profit and loss, balance sheet and cash flow statements no later than 30 (thirty) calendar days after the end of each financial year, (iii) monthly periodical reports on the progress of the fulfillment of the KPI no later than 15 (fifteen) calendar days after the end of each calendar month, and (iv) any other information that is provided or available to other investors of the Company (including also the Investors). This shall not affect the Investors' right to receive further information and documents from the Company in accordance with the current legislation, in particular the BCA. Upon prior written notice, the Investors and their duly appointed agents, bound by confidentiality undertaking, shall have the right to access all books, records and facilities of the Company.

16. CONFIDENTIALITY

- 16.1. For the purpose of this Agreement, confidential information means the content of this Agreement, any non-public information regarding the Parties, their trading partners and persons linked to them personally or through property as well as any information regarding the Intellectual Property or know-how related to the Product (the “**Confidential Information**”). The Parties hereby undertake to maintain the confidentiality of Confidential Information, not to disclose or otherwise provide access to any Confidential Information to any third persons, and not to use any Confidential Information for their own or a third person's benefit. The confidentiality obligation hereunder shall not apply to the disclosure of Confidential Information (i) to employees and advisors of the Parties to the extent to which they have a business need to know such information, (ii) if the party concerned has given their prior written consent to the disclosure of Confidential Information, or (iii) if such disclosure is required by any law or an administrative authority; in any such case, the disclosing party shall be obliged to mark the information provided as a trade secret and to notify the remaining Parties of its disclosure without any undue delay. The Company may also disclose this Agreement to future potential investors.
- 16.2. The Founders and the Company agree not to take any action which is intended, or could reasonably be expected, to harm the Company, the Investors or their reputation or which could reasonably be expected to lead to unwanted or unfavorable publicity to the Company or the Investors.

17. REPRESENTATIONS AND WARRANTIES

- 17.1. The Company and the Founders acknowledge that the Investors relied on the accuracy and completeness of all representations and warranties set out in this Agreement including in particular, but not limited to, Annex 4 hereto (the “**Representations and Warranties**”) in concluding this Agreement and providing the Loans. The Company and the Founders have not withheld from the Investors any material facts relating to the Company. Should any of the said Representations and Warranties found out to be false, misleading, unreasonably inaccurate or incomplete (the “**Warranty Breach**”), such situation shall represent a material breach of this Agreement within the meaning of Art. 3.1 (b) ii hereto; for the avoidance of doubt, the Representations and Warranties shall not be considered false, misleading, inaccurate or incomplete due to respective circumstances to the extent in which the Investors were demonstrably familiar with such circumstances prior to the signing of this Agreement. Only the Company and Founders (and not the Investors) shall be responsible for all the obligations and third-party claims arising from circumstances that existed prior to or on the date of the conclusion of this Agreement.
- 17.2. In the event of a Warranty Breach, the Founders and the Company shall, subject to the specific qualifications and limitations in this Agreement, jointly and severally compensate the Investors for any and all damages or losses incurred by the Investors as a result of the Warranty Breach. The total amount of compensation payable to the Investors as a result of any and all Warranty Breaches shall not in aggregate exceed 100 % (one hundred percent) of the Loan provided by the respective Investor.

18. LIABILITIES AND CONTRACTUAL PENALTIES

- 18.1. If any of the Founders violates any of its obligations under Art. 4.8 through 4.12 hereto, the breaching Party is obliged to pay the Investors a contractual penalty amounting to EUR 250,000 per each breach of the respective obligation. Each of the Investors shall be entitled to a part of the contractual penalty in the amount corresponding to the proportion of the respective Loan provided by the respective Investor to the sum of all the Loans.

- 18.2. If any of the Founders violates his obligation under Art. 5.4 hereto to take all steps necessary so that the Investors can participate in the subsequent funding round, the breaching Party is obliged to pay the Investors a contractual penalty amounting to EUR 250,000 per each breach of the respective obligation. Each of the Investors shall be entitled to a part of the contractual penalty in the amount corresponding to the proportion of the respective Loan provided by the respective Investor to the sum of all the Loans.
- 18.3. If any of the Founders or the Company violates its obligation under Art. 7.1 or 7.2 hereto to ensure that the decisions of the Company's Executive Director and General Meeting specified in Annex 2 or Annex 3 hereto are not adopted without the respective prior written consent specified in Art. 7.1 or 7.2 hereto, the respective party is obliged to pay the Investors a contractual penalty amounting to EUR 50,000 per each breach of the respective obligation, provided that the respective party does not cure the breach within a reasonable period of time after being notified by the Investors (such notification will include the specification of the cure period, which shall not be longer than 10 (ten) business days). Each of the Investors shall be entitled to a part of the contractual penalty in the amount corresponding to the proportion of the respective Loan provided by the respective Investor to the sum of all the Loans.
- 18.4. If any of the Founders violates any of his obligations under Art. 10.1, the Founder is obliged to pay the Investors a contractual penalty amounting to EUR 125,000 per each breach of the respective obligation. Each of the Investors shall be entitled to a part of the contractual penalty in the amount corresponding to the proportion of the respective Loan provided by the respective Investor to the sum of all the Loans.
- 18.5. If any of the Founders violates any of his obligations under Art. 11, the Founder is obliged to pay the Investors a contractual penalty amounting to EUR 50,000 per each breach of the respective obligation. Each of the Investors shall be entitled to a part of the contractual penalty in the amount corresponding to the proportion of the respective Loan provided by the respective Investor to the sum of all the Loans.
- 18.6. The obligation of the respective party to pay the Investors any contractual penalty hereunder shall arise on the elapse of the last day of the additional period (which shall not be shorter than 30 (thirty) days except as set forth in Art. 18.3) that was granted by the Investors to the obliged party to take a corrective action or, as the case may be, meet its obligation. Any contractual penalty hereunder shall be due and payable within 15 (fifteen) days of receipt by the obliged party of request from the Investors to pay the penalty. The Investors shall have the right to seek compensation for damages that exceed the contractual penalties paid by the obliged party hereunder.

19. FINAL PROVISIONS

- 19.1. The Company undertakes to reimburse the Lead Investor for fees and expenses reasonably incurred in connection with this Agreement, such as legal, tax and accounting fees, up to the amount of **EUR 5,000** (plus VAT). The Company shall reimburse the fees and expenses within 14 (fourteen) days from the date of signing of this Agreement and respective tax document (invoice), which may also be issued by the Lead Investor's advisors.
- 19.2. No right or obligation under this Agreement may be assigned or transferred without the written consent of the remaining Parties. The Parties hereby agree that the Investors may assign the rights and obligations hereunder to an affiliated entity. Prior to any such assignment, the Investor must ensure that the affiliated entity is bound by this Agreement.
- 19.3. The Parties are entitled to withdraw from this Agreement only in cases specified in this Agreement and for other material breach of this Agreement within the meaning of Section 2002 of the Civil Code. The Parties preclude any other reasons for withdrawal or termination of this Agreement.
- 19.4. The Parties assume the risk of changing circumstances within the meaning of Section 1765 of the Civil Code.
- 19.5. This Agreement comes into force and effect upon its signing by all contracting parties. This Agreement may only be changed and amended by written amendments signed by all Parties. Documents executed, scanned and transmitted electronically and electronic signatures (including signatures signed via electronic platforms such as DocuSign, Adobe Sign etc.) shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.
- 19.6. If any provision of this Agreement is found by any competent court or other authority to be invalid, ineffective or unenforceable, such provision shall be deemed to be deleted from this Agreement and the remaining provisions of this Agreement shall remain in full force and effect, if it may be assumed that the Parties would

enter into this Agreement even without such provision, had they recognized its apparent, invalid or unenforceable nature in time (severability provision). In such an event, the Parties shall execute without undue delay amendments to this Agreement necessary in order to achieve the same or, if not possible, the closest possible effect to that of the respective invalid, ineffective or unenforceable provision.

- 19.7. Provision of Section 1740 (3) of the Civil Code shall not apply to this Agreement or any amendments thereto.
- 19.8. Any rights and obligations of the Parties not provided for herein shall be governed by the Civil Code and other laws of the Czech Republic. All disputes arising out of or in connection with this Agreement shall be resolved by the general courts of the Czech Republic.
- 19.9. This Agreement is executed **in 6 (six) copies in English**, each one of which shall be deemed an original. The Lead Investor, the Co-Investor 1, the Co-Investor 2, the Founder 1, the Founder 2 and the Company shall each receive 1 (one) copy of the Agreement.
- 19.10. The following annexes constitute an integral part of this Agreement and contain additional rights and obligations:

Annex 1 – Cap Table

Annex 2 – Reserved Matters

Annex 3 – Reduced Reserved Matters

Annex 4 – Representations and Warranties

Annex 5 – Liabilities of the Company

SIGNATURE PAGE

In _____ date _____

The Company:

Company s.r.o.
Founder One, Executive Director

In _____ date _____

The Founder 2:

Founder Two

In _____ date _____

The Co-Investor 1:

Co-Investor 1 s.r.o.
Name Surname, Executive Director

In _____ date _____

The Founder 1:

Founder One

In _____ date _____

The Lead Investor:

Lead Investor s.r.o.
Name Surname, Executive Director

In _____ date _____

The Co-Investor 2:

Co-Investor 2, s.r.o.
Name Surname, Executive Director

Annex 1 – Cap Table

Shareholder	Current Situation (as of execution of the Agreement)
Founder One	50.00 %
Founder Two	50.00 %
TOTAL	100.00 %

Annex 2 – Reserved Matters

The following decisions (actions) of the Executive Director (*in Czech: jednatel*) or the General Meeting (*in Czech: valná hromada*) shall require the Investors' Majority Consent:

1. amendment of the Company's Articles of Association;
2. any changes to any class of shares in the Company and the rights and obligations related thereto;
3. consent to transfer a common share to another shareholder or a third party or in any way encumber a common share in the Company;
4. any changes or amendments to the Founders' or Shareholders' Agreement of the Company;
5. consent to redeem, transfer or pledge any share in the Company (including any own share) excluding any disposal related to the conversion event under the Agreement;
6. consent to any Change of Control event under the Agreement prior to the conversion in case the pre-money valuation of the Company shall be lower than the investment round under the Agreement;
7. consent to transfer, sell, pledge or lease the Company's enterprise or any part thereof that would mean a substantial change to the existing structure of the enterprise;
8. the appointment and dismissal of an executive director (*in Czech: jednatel*) and the approval of the agreement on performance of the office of the executive director;
9. the appointment and dismissal of a proxy (*in Czech: prokurista*) and the approval of the terms of the agreement on the performance of his/her office;
10. resolution to liquidate the Company under Section 190 (2) f) of the BCA;
11. foundation of subsidiaries, branches within the meaning of Section 503 of the Civil Code, spin-offs, foundation or dissolution of establishments, purchase or sale by the Company of ownership interests in other businesses or the conclusion, changes or termination of agreements between shareholders in such businesses;
12. resolutions to change the registered capital amount or allow a non-monetary contribution or an offset of the Company's monetary debt for the liability to meet the contribution obligation;
13. conclusion of an agreement on a contribution outside the Company's registered capital between the Company as recipient of the contribution and any third party other than the Founders as provider of the contribution, any receipt of any voluntary or compulsory contribution outside the Company's registered capital from any third party other than the Founders, and any repayment (return) of contribution outside the Company's registered capital by the Company to any party (for the avoidance of doubt, including (but not limited to) to the Founders);
14. the distribution of profit, dividends or other own resources, including advance payments of profit or loss;
15. approval of any non-budgeted remuneration for the Founders exceeding 50% of the Founders' remuneration approved in the annual Financial Plan;
16. resolutions on substantial changes to the Company's business operations (such as complete change of subject of business);
17. any transaction relating to the Company's intellectual property rights as well as conclusion and/or termination of any patent, license, know-how or cooperation agreements related to the Company's intellectual property (other than standard licensing of the Product to the Company's customers in the ordinary course of business);
18. any acceptance or provision of guarantees or other security for third-party liabilities, loans, promissory notes, bills of exchange or other debt instruments in which the Company acts as a debtor, borrower or creditor, including issuance of any bonds by the Company, except for acceptance of external financing in the form of loans, credits or similar provided that the total indebtedness of the Company shall not at any time exceed 3x (three times) the average monthly burn rate according to the annual Financial Plan approved for the respective year;

19. conclusion of any convertible loan agreement, convertible debt agreement, SAFE or any other similar instrument, or amendment or change to the terms and conditions of any convertible loan agreement, convertible debt agreement, SAFE or any other similar instrument;
20. any petition to commence any major court or arbitration proceedings, commencing, ending or settling any such proceedings unless the respective Investor is in a conflict of interest (e.g., because the respective Investor holds shares in both companies in dispute);
21. resolution to issue an ordinary share certificate and change the type thereof if issued;
22. appointment, dismissal or agreements, including relating to remuneration with the Company's Liquidator;
23. approval of ordinary, extraordinary, consolidated financial statements and, if they must be prepared under applicable legal regulations, of interim financial statements;
24. approval of financial assistance under Section 190 (2) k) of the BCA;
25. resolutions to transform the Company under Section 190 (2) h) of the BCA unless otherwise set out by the legislation governing the transformations of commercial companies and cooperatives;
26. resolutions to approve any silent partnership agreement under Section 190 (2) j) of the BCA and amendments thereto.

Annex 3 – Reduced Reserved Matters

After conversion of the Loans, the following decisions (actions) of the Executive Director (*in Czech: jednatel*) or the General Meeting (*in Czech: valná hromada*) shall be subject to the prior written consent of majority of votes attached to the preferred shares (and if the Company issues other classes of shares, then majority of shares with voting rights held by shareholders other than the Founders):

- a) amendment of the Company's Articles of Association;
- b) any changes to any class of shares in the Company and the rights and obligations related thereto;
- c) consent to transfer a common share to another shareholder or a third party or in any way encumber a common share in the Company;
- d) any changes or amendments to the Founders' or Shareholders' Agreement of the Company;
- e) consent to redeem, transfer or pledge any share in the Company (including any own share) excluding any disposal related to the conversion event under the Agreement;
- f) consent to any Change of Control event under the Agreement prior to the conversion in case the pre-money valuation of the Company shall be lower than the investment round under the Agreement;
- g) consent to transfer, sell, pledge or lease the Company's enterprise or any part thereof that would mean a substantial change to the existing structure of the enterprise;
- h) the appointment and dismissal of an executive director (*in Czech: jednatel*) and the approval of the agreement on performance of the office of the executive director;
- i) the appointment and dismissal of a proxy (*in Czech: prokurista*) and the approval of the terms of the agreement on the performance of his/her office;
- j) resolution to liquidate the Company under Section 190 (2) f) of the BCA;
- k) resolutions to change the registered capital amount or allow a non-monetary contribution or an offset of the Company's monetary debt for the liability to meet the contribution obligation;
- l) the distribution of profit, dividends or other own resources, including advance payments of profit or loss;
- m) resolutions on substantial changes to the Company's business operations (such as complete change of subject of business);
- n) approval of any non-budgeted remuneration for the Founders exceeding 50% of the Founders' remuneration approved in the annual Financial Plan;
- o) any transaction relating to the Company's intellectual property rights as well as conclusion and/or termination of any patent, license, know-how or cooperation agreements related to the Company's intellectual property (other than standard licensing of the Product to the Company's customers in the ordinary course of business);
- p) any acceptance or provision of guarantees or other security for third-party liabilities, loans, promissory notes, bills of exchange or other debt instruments in which the Company acts as a debtor, borrower or creditor, including issuance of any bonds by the Company, except for acceptance of external financing in the form of loans, credits or similar provided that the total indebtedness of the Company shall not at any time exceed 3x (three times) the average monthly burn rate according to the annual Financial Plan approved for the respective year;
- q) resolution to issue an ordinary share certificate and change the type thereof if issued;
- r) appointment, dismissal or agreements, including relating to remuneration with the Company's Liquidator;
- s) approval of financial assistance under Section 190 (2) k) of the BCA;
- t) resolutions to transform the Company under Section 190 (2) h) of the BCA unless otherwise set out by the legislation governing the transformations of commercial companies and cooperatives;
- u) resolutions to approve any silent partnership agreement under Section 190 (2) j) of the BCA and amendments thereto.

Annex 4 – Representations and Warranties

The Founders and the Company state that all of the following representations are true, complete and correct both at the time of execution of the Agreement and at the time of the Loans, including follow-on investments (if applicable) provided by the Investors, and they hereby undertake to maintain such representations in force (where applicable) throughout the term of this Agreement:

- a) The Company is duly and legally incorporated, operated and owned by the existing shareholders and its registration in the Commercial Register is accurate, up-to-date and complete in all material respects.
- b) The conclusion, effect and performance of this Agreement will not result in any breach of the Company's founding documents, articles of association, any other internal regulations or of any agreement to which the shareholders are a party, nor will the same result in any breach of any other undertaking, obligation or restriction applying to the shareholders, or of any legal regulation, public measure, act or instruction of any kind, or of the terms and conditions of any authorization, license, other act or document that are binding upon the shareholders or the Company.
- c) The Company's registered capital of **CZK 10,000** has been fully paid up.
- d) The Company does not have any ownership interest in any other companies, nor has it undertaken to purchase any ownership interest in any other companies.
- e) With the exception of the rights stated in Art. 12.1(a) and (c) of the Agreement, the Company owns and holds the rights, titles and unrestricted interest to all Intellectual Property and business know-how that it uses or intends to use, or which is required for its business activities, development and monetizing its products, and no such intellectual property or business know-how is wholly or partially owned, held, or controlled by any other person than the Company. The Company exercises material copyright (in Czech: "*právo výkonu majetkových práv autora*") to all software it uses internally or makes available to its customers, save for parts of such software that are subject to a customary commercial or open-source licenses. The Company has all necessary licenses, permissions and authorizations required by the applicable generally binding laws for the performance of its business activities. The execution of this Agreement and the fulfilment of the terms of this Agreement will not in any way adversely affect the validity and effect of the licenses, permissions and authorizations held by the Company. Intellectual property and business know-how used by the Company is not subject to any encumbrances or rights of any third person. The Company does not infringe any intellectual property rights of third parties (including without limitation the Founders and employees or self-employed contractors that have ever been engaged in the business activities of the Company or participated in the development of its products and no claim has been made against the Company in respect of any such infringement. In developing the Product, only such free and/or open-source licenses have been used that do not establish any obligation to release the source code developed by the Company to the public domain (so called "copy-left" licenses) and that cannot in any other way adversely impact the monetization of the Company's products and/or services. The Company fully complies with open-source licenses including compulsory license and copyright acknowledgements (where applicable). Each current and former employee or consultant of the Company has duly executed a suitable proprietary information agreement providing that (i) he/she is either an employee or a contractor of the Company, as the case may be, (ii) he/she will maintain all Company's proprietary information in confidence, and (iii) he has or will assign all inventions (including all related intellectual property rights) created by him as an employee or contractor during his employment or service to the Company to the maximum extent not provided for by the Czech Act No. 121/2000 Coll., Copyright Act, as amended.
- f) The Company is the sole legal and beneficial owner of, or is duly licensed under a valid, subsisting and enforceable license, sublicense or other contract to which it is a party and pursuant to which it is authorized or otherwise permitted to use, all information technology to which warranty under point e) above does not apply and which is used by the Company in the operation of its business as currently conducted. Back-up and recovery procedures for information technology have been implemented for relevant services to minimize the loss of and enable the recovery of data to ensure continuation of the Company's business. The Company has taken adequate measures to prevent unauthorized access to the Company's information technology.
- g) The Company and its shareholders do not face and are not at risk of facing any claim that its operations infringe third-party intellectual property rights.

- h) The Company and its shareholders do not face and are not at risk of facing any author's extraordinary claim regarding the Product or any other subject of intellectual property used by the Company, e.g. a claim to refrain from using work, surrender unjust enrichment, pay additional remuneration (if it is permitted by law to be excluded from a legal relationship), provide compensation for damage, etc.
- i) The transactions contemplated by this Agreement will not affect the Company's rights and ability to use the intellectual property the Company is currently using.
- j) As at the date of concluding this Agreement, the Company has no outstanding liabilities that individually (i) exceed EUR 5,000 (in words: five thousand Euros), and/or (ii) represent recurring charges exceeding monthly EUR 500 (in words: five hundred Euros), other than the liabilities expressly listed in Annex 5 hereto, which the Company hereby brings to the Investors' attention.
- k) The Company is not a party to any contract or agreement with any affiliated or related entity that was not concluded in accordance with standard business terms.
- l) The Company has not provided any loans that have not been repaid to date, nor has the Company any accounts payable (whether current or future) toward other persons other than the trade accounts payable which the Company brought to the Investors' attention prior to the conclusion of this Agreement.
- m) The Company complies in all respects with all applicable requirements of legal regulations and decisions that are binding upon the Company and concern the protection and/or the processing of personal and/or sensitive data.
- n) The terms of employment of all of the Company's employees are in material respects in accordance with the usual terms and the employment contracts of the Company's employees are valid and enforceable in accordance with their terms and legal regulations. All existing employment and other contracts under which employees and other persons provide their services to the Company may be terminated by the Company in accordance with the conditions set out in current legal regulations and not in accordance with agreements or internal policies that would stipulate any conditions beyond the framework of statutory conditions.
- o) All contracts between the Company and entrepreneurs, natural persons, and substantial obligations arising out of them are valid, effective and in line with applicable legal regulations.
- p) Insolvency proceedings have not been instituted against the Company and the Company is not insolvent, is able to meet its financial obligations and has not stopped paying its outstanding liabilities within the meaning of the Czech Insolvency Act.

Each of the Founders hereby states, that all of the following representations are true, correct and complete as at the date on which this Agreement is concluded:

- q) The Founder has full legal capacity to conclude this Agreement and perform all obligations arising out of it and have obtained all consents necessary to perform the obligations under this Agreement.
- r) Insolvency proceedings have not been instituted against the Founder and the Founder is not insolvent, is able to meet his financial obligations and has not stopped paying his outstanding liabilities within the meaning of the Czech Insolvency Act.
- s) This Agreement establishes valid and effective obligations enforceable against the Founder in accordance with its terms.
- t) After the conclusion of this Agreement, the Founder will not demand any additional remuneration for holding the post of director prior to the conclusion of this Agreement.
- u) The shares in the Company are not subject to any lien, right of first refusal, option or any other restrictions on title, nor are there any other facts that may restrict the Investors' title other than the rights and obligations set out in this Agreement. No person has the right to demand that the Company or its shareholders transfer their shares in the Company at present or at any point in the future except as stated herein and disclosed to the Investors.

Each of the Investors hereby states that all of the following representations are true, correct and complete as at the date on which this Agreement is concluded:

- v) The Investor has full legal capacity to conclude this Agreement and perform all obligations arising out of it and has obtained all consents necessary to perform the obligations under this Agreement.

- w) The conclusion, effect and performance of this Agreement will not result in any breach of the founding documents, articles of association, any other internal regulations or of any agreement to which the Investor is a party.
- x) This Agreement establishes valid and effective obligations enforceable against the Investor in accordance with its terms.
- y) Insolvency proceedings have not been instituted against the Investor and the Investor is not insolvent, is able to meet the Investor's financial obligations and has not stopped paying the Investor's outstanding liabilities within the meaning of the Czech Insolvency Act.

Annex 5 – Liabilities of the Company

As of the date of signing this Agreement, the Company confirms that it has the following outstanding liabilities that individually (i) exceed EUR 5,000 (in words: five thousand Euros), and/or (ii) represent recurring charges exceeding monthly EUR 500 (in words: five hundred Euros)

- a) Liability 1,**
- b) Liability 2,**
- c) Liability 3**