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SHAREHOLDERS' AGREEMENT

REGARDING

[COMPANY NAME]

Latest update: 9 March 2021.

Release notes: In this first version, we've used the Nordic standard template from StartupTools.org, but taken most of the material clauses from SeriesSeed.fi. This way, the document still follows materially the established Finnish standard, while making it easier for founders and investors to make cross-border transactions within the Nordics.

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This document is based on a cooperation between SeriesSeed.fi and StartupTools.org (by Erik Byrenius and Mattias Larsson).

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Note: Many of the terms in this document are explained in the Term Sheet, available at seriesseed.fi.

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SCHEDULES

Schedule 1	The Parties – Founders and Key Persons
Schedule 2	Shareholders of the Company – Capitalization Table
Schedule 3	Adherence Agreement

SHAREHOLDERS' AGREEMENT

This shareholders' agreement (the "**Agreement**") has been made on [date] by and between:

PARTIES

1. [Name], company registration number [registration No.], whose registered office is at [Address], Finland (the "**Company**");
2. The persons, and Aalto University Foundation sr (hereinafter also referred to as "**Aalto**"), whose names and addresses are set out in Part 1 of Schedule 1 (the "**Founders**", individually referred to as a "**Founder**");
3. The persons whose names and addresses are set out in Part 2 of Schedule 1 (the "**Key Persons**", individually referred to as a "**Key Person**");
4. [Name of physical person who is not a Founder or a Key Person], personal number [personal No.], resident at [Address], Finland, with e-mail address [e-mail]; and
5. [Name of shareholder who is a company and not a Founder], company registration number [registration No.], whose registered office is at [Address], Finland, with e-mail address [e-mail], is a private limited liability company incorporated in Finland.

Commented [HA1]: Aalto University defined as a Founder but not as Key Person

INTRODUCTION

- A. The Company is a private limited liability company incorporated in Finland.
- B. Details of the ownership of the share capital of the Company are set out in Schedule 2 (the "**Capitalization Table**").
- C. The parties desire to enter into this Agreement in order to regulate their internal relationships as to ownership and governance of the Company.

1. DEFINITIONS

In this Agreement the following words and expressions shall have the meaning given below:

"Adherence Agreement"	means the adherence agreement substantially in the form set out in <u>Schedule 3</u> ;
"Agreement"	means this shareholders' agreement, as amended or superseded from time to time, including its schedules;
"Articles"	means the articles of association of the Company as amended or superseded from time to time;
"Board"	means the board of directors of the Company as constituted from time to time;
"Business"	means the main business of the Company consisting of [business description];

Commented [EB2]: The adherence agreement is signed when a new shareholder should become a part of the shareholders' agreement.

Commented [EB3]: This definition matters for example for intellectual property and non-compete, so make sure it covers the company's purpose but isn't unnecessarily broad.

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"Business Day"	means a day when commercial banks are open for general banking business (other than internet banking) in Finland;
"Equity Instruments"	means options, warrants, convertible loans, subscription rights or any other securities or instruments of the Company, outstanding from time to time, which can be converted into Shares or carry or have attached thereto a right to subscribe for Shares;
"Founder Majority"	means Founders representing more than 75% of all the Shares that are owned by Founders;
"Founder Majority Consent"	means the prior written consent of the Founder Majority;
"Founder Shares"	means in respect of each Founder, his/her/its directly and/or indirectly owned Shares and Equity Instruments;
"Intellectual Property"	means all inventions, patents, trade marks, trade names, logos, domain names, copyrights, design rights, database rights, trade secrets, know-how and other intellectual property rights, including, where any such rights are obtained or enhanced by registration, all registrations of such rights and applications and rights to apply for such registrations, in any jurisdiction that have been or will be created for the Company and/or that relate to the Business;
"IPO"	means the admission of all or any of the Shares or securities representing those shares on Nasdaq Helsinki or a similar stock exchange of a recognized national or international standing;
"Original Subscription Price"	means the original subscription price paid to the Company for a Share;
"Sale"	means (a) a sale to a third party of all or substantially all of the Shares and Equity Instruments; (b) a sale to one or more existing Shareholders of all or substantially all of the Shares and Equity Instruments not already held by such Shareholders; (c) a sale of all or substantially all of the assets of the Company; or (d) a reorganization, merger, demerger, consolidation or other type of transaction or series of transactions in which ownership and/or control of the Company or all or substantially all of its assets are transferred to a third party;
"Shareholders"	means each of the shareholders of the Company from time to time who are a party to this Agreement, individually referred to as a "Shareholder" ;

Commented [EB4]: Includes everything that is created for the company OR that relate to the Business (as defined above).

Commented [EB5]: For most founders this will be almost nothing, unless you buy the shares expensively later.

"Shares"	means shares in the capital of the Company having the rights set out in the Articles and in this Agreement, including any shares issued subsequent to the signing of this Agreement;
"Signing Date"	means the date of this Agreement; and
"Subsidiaries"	means all legal entities directly or indirectly owned or controlled by the Company from time to time (as the control is defined in Section 5 of Chapter 1 of the Finnish Accounting Act (Fi. <i>Kirjanpitolaki (1997/1336)</i>) for as long as such control lasts) and "Subsidiary" means any one of them.

2. FINANCING, CAPITAL INCREASE, DIVIDEND AND ADHERENCE

2.1. Financing

It is expressly agreed and understood that the parties shall not, under this Agreement or otherwise, unless expressly otherwise agreed in writing, be obligated to participate in any issue of Shares or Equity Instruments nor provide any funding to or guarantees for the Company or other obligations or in any other way contribute to the financing of the Company.

Commented [EB6]: You will never be forced to invest (more) money in the company.

2.2. Capital increase

2.2.1. In case of any subsequent financing of the Company through the issue of Shares or Equity Instruments after the signing of this Agreement (the **"Subsequent Financing"**), each of the Shareholders shall have pro rata right, but not an obligation, based on their (at the applicable time) respective holdings of Shares, to participate in any such Subsequent Financing on the same terms and at the same price as those Shares or Equity Instruments are being offered to other persons. If a Shareholder chooses not to participate, or does not notify its willingness to participate, in the Subsequent Financing in full within 14 days after having received a notice from the Company on the terms of the Subsequent Financing, the Shares and/or Equity Instruments not subscribed for by such Shareholder shall be reallocated and offered among the other Shareholders on a pro rata basis in relation to their (at the applicable time) holdings of Shares.

Commented [EB7]: The Shareholders have the right to defend their ownership in the company if you later issue more shares or options, with a few exceptions defined in the next paragraph.

2.2.2. The provisions of Clause 2.2.1 shall not apply in case of (i) the issue of Shares or Equity Instruments reserved for employees as approved by the Board, (ii) the issue of Shares or Equity Instruments in connection with a bona fide acquisition by the Company of any company or business or a venture debt financing by the Company, or (iii) the issue of Shares pursuant to a share split or similar reorganization.

2.2.3. In the event of Subsequent Financing, the Shareholders understand that there may be a need to enter into a new shareholders' agreement or other agreements (such as investment agreement or subscription agreement) regarding the Company and/or to amend the Articles as well as take other actions to secure the Company's financing. Therefore, the Shareholders commit to vote in favor of any decisions in the shareholders' meetings relating to amending the Articles, directed Share issuances,

other corporate resolutions on financing and any other matters required to complete the fund raising, provided that Shareholders representing at least [2/3] of the Shares vote for it. In such an event, the Shareholders shall also sign and execute any shareholders' agreement and other agreements (such as investment agreement or subscription agreement) required for completion of the above actions. If a Shareholder does not execute such agreement(s) or vote in favor of the above actions simultaneously with the other Shareholders, he/she/it shall be deemed to have appointed any of the Shareholders, or any person appointed by any of the Shareholders, for that purpose to be his/her/its sole agent and attorney to execute all necessary agreements, to vote in favor of any matters and to take any other necessary actions on his/her/its behalf provided that if such agreements would impose any onerous obligations on a Shareholder adversely deviating from the obligations of other Shareholders, the consent of the affected Shareholder to such agreement shall be specifically required.

2.3. Dividend

The parties agree that the income of the Company and the funds accrued shall be used primarily for the development of its operations and the expansion of the Business. The Company shall, secondarily, also strive to provide a good yield to the Shareholders.

2.4. Adherence of new parties

- 2.4.1. The parties acknowledge and agree that key employees involved in the Business and other persons may be offered to subscribe for new Shares or Equity Instruments, or to acquire existing Shares or Equity Instruments, in the future. In connection therewith, and provided for the avoidance of doubt that the resolution to offer Shares or Equity Instruments to such person has been taken in compliance with this Agreement, the parties agree that the Board shall have a right (unless otherwise is expressly stated in this Agreement and provided that a Founder Majority Consent is obtained) to (i) decide whether such person shall adhere to and become a party to this Agreement or a possible minority shareholders' agreement, and (ii) take any actions and measures (including to countersign an Adherence Agreement without any countersign by other parties to this Agreement) necessary to have such person adhere to this Agreement or a possible minority shareholders' agreement.
- 2.4.2. If any person adheres to this Agreement pursuant to this Clause 2.4, the provisions set forth in Clause 7.1.3 shall apply, and the Founders shall duly inform the other parties.

3. THE BOARD

- 3.1. The Board shall consist of [number] ordinary members with [number] deputy members. Each Founder shall elect one of the ordinary members.
- 3.2. Board meetings will be held at least [four] times per year.

Commented [EB8]: Just to ensure that everyone agrees that any profits should primarily be invested in the business, not paid to shareholders.

Commented [EB9]: If the company gets a new shareholder, e.g. an employee who exercises their stock options, they may become a part of this agreement (by signing an adherence agreement).

Commented [EB10]: This is just a standard suggestion. In a very early phase, the company usually doesn't even have proper board activity. But you still need a formal board.

4. MATTERS REQUIRING FOUNDER MAJORITY CONSENT

Unless otherwise provided for in this Agreement, a resolution passed by the Board or by the shareholders' meeting in the Company, or by the board of directors or by the shareholders' meeting in a Subsidiary or a joint venture, as the case may be, in relation to the below listed items shall be considered binding only if a Founder Majority Consent is obtained or, in case of Board/board of directors resolutions, consent of the representative (or a majority of the representatives, as the case may be) appointed by the Founders (where the definitions below shall apply, *mutatis mutandis*, for a Subsidiary or a joint venture):

- (a) amend the Articles;
- (b) adversely change the rights of the Shares;
- (c) declare or pay any dividend or make a decision on other asset distributions;
- (d) hire, fire or amend the terms of the employment contract of the CEO, [Name of physical founder] or [Name of physical founder]; and
- (e) enter into any agreement or assignment with a Shareholder or its immediate family member or any entity controlled by a Shareholder and/or its immediate family member(s).

5. DEDICATION

Each of the Key Persons shall, as long as he/she is an employee of the Company, devote his/her entire business time and attention to the Company and not undertake additional business activities without a Founder Majority Consent.

6. EXIT

6.1. It is the parties' intention to effect a Sale or an IPO (any of them an "Exit").

6.2. It is hereby agreed by the parties that, on an IPO, the Shareholders shall (i) to the extent required by the listing rules of the applicable stock exchange retain such number of their Shares held at the time of the IPO for such period after the IPO as is required by the applicable listing rules or the rules and requirements of the relevant recognized stock exchange; and (ii) have regard to the recommendation of the Company's financial advisor on an IPO in determining their respective sale of Shares upon the Company's IPO and shall make such determination with a view to ensuring the success of the IPO.

7. TRANSFER OF SHARES

7.1. General

7.1.1. In this Clause 7 the expression Shares includes also Equity Instruments. Each Shareholder agrees that it will not transfer, sell, assign, pledge, place in trust, contribute to capital or in any other manner encumber or dispose of, directly or indirectly and whether or not voluntarily (hereinafter in this Clause 7, the transfer) any

Commented [EB11]: In some important questions, the normal rules for making decisions (simple majority in the board or at general meeting) are not enough.

The actual list of decisions that need a Founder Majority Consent can be discussed, but all aim at protecting the shareholders from ruining the company or transferring value from the company to one shareholder.

Commented [EB12]: This is an important clause that says that the key persons (including founders) should focus all of their working time on the company. Sometimes you have to make exceptions if someone is involved in another project and you want to allow it.

Commented [EB13]: This is only an intention. It's useful to include so you remember that you agreed to try to make an exit later, not run the company by yourselves forever.

Commented [EB14]: If the company becomes listed, all shareholders have to follow normal advice from the stock exchange or financial advisors, which may include that you are not allowed to sell shares for a year.

Commented [EB15]: One of the main purposes of a shareholders' agreement is to make sure that all shareholders are aligned and that shares don't end up in the wrong hands (e.g. a competitor). This long section deals with a lot of rules on how shares can and cannot be transferred.

of its Shares except in compliance with all terms, conditions and provisions of this Agreement.

- 7.1.2. The Articles may contain a right of first refusal clause, a post-sale purchase right clause and/or a consent clause relating to the transfer of Shares, but the parties to this Agreement agree that the provisions in the Articles shall not be invoked and shall not apply for any transfer made in compliance with this Agreement.
- 7.1.3. Save as expressly provided for in this Agreement, it shall be a condition to the transfer of any Shares that the purchaser consents in writing to be bound by the terms of this Agreement (as amended from time to time), and shall become a party to this Agreement on the same terms and in the same capacity as the transferor by executing an Adherence Agreement, subject to any deviations approved by the Board with a Founder Majority Consent. Alternatively, if so decided by the Board, the above transferee or subscriber of the Shares may also become a party to the possible minority shareholders' agreement. The aforesaid principles shall be applied, *mutatis mutandis*, also in connection with all subscriptions of new Shares.
- 7.1.4. A party who is a physical person shall always uphold necessary prenuptial arrangements or similar to the effect that all his/her Shares and all his/her shares in a Shareholder, as the case may be, always remain with the said party in question in case of a divorce.
- 7.2. Transfer of Shares other than Founder Shares and right of first refusal
- 7.2.1. All Shares other than Founder Shares shall be freely transferable, provided that the Company and the other Shareholders are first offered the opportunity in accordance with this Clause 7.2 to purchase such Shares and the transfer takes place also otherwise in compliance with all terms, conditions and provisions of this Agreement.
- 7.2.2. If a Shareholder who is not a Founder (the "Transferring Shareholder") wishes to sell and transfer all or some of its Shares (the "Offered Shares"), the Company primarily and the other Shareholders secondarily shall have a right of first refusal to purchase the Offered Shares in accordance with the below.
- 7.2.3. The Transferring Shareholder shall notify the other Shareholders and the Board in writing of its intention to dispose of the Offered Shares, stating the material terms of the disposition, including information on prospective purchaser, number of Offered Shares and price per Offered Share (the "Transfer Notice"). The Company shall within a period of 30 days after the receipt of the Transfer Notice notify the Transferring Shareholder and the other Shareholders in writing to what extent it wishes to exercise its right of first refusal and accept the offer under the Transfer Notice. If the Company does not use its right of first refusal or does not use it with respect to all of the Offered Shares, the other Shareholders shall within a period of 14 days from the end of the above 30 days period notify the Transferring Shareholder in writing to what extent they wish to exercise their right of first refusal and accept the offer under the Transfer Notice with respect to those of the Offered Shares that are not purchased by the Company (the "Remaining Offered Shares"). Those Shareholders accepting the offer (the "Accepting Shareholders") shall be entitled and required to purchase some or all of the Remaining Offered Shares. If more than one Shareholder accepts the offer, the Remaining Offered Shares shall be allocated between the

Commented [EB16]: The basic rule is that no one can transfer shares other than in compliance with this agreement.

Commented [EB17]: The common right of first refusal and pre-emption right that you (may) have in your articles of association shall not apply if someone is transferring shares in a way that is approved in this agreement.

Commented [EB18]: If you transfer shares to someone, they must enter into this agreement (or a possible minority shareholders' agreement).

Commented [EB19]: You have to make sure that a spouse cannot take your shares if you divorce. The purpose, like with most clauses in this section, is to ensure that you don't get new shareholders without the other shareholders' approval.

Commented [EB20]: The Company and the other Shareholders always have right of first refusal (i.e. the right to purchase them at the same terms as someone else is willing to do).

Accepting Shareholders on a *pro rata* basis in relation to their (at the applicable time) respective holdings of Shares. If a Shareholder does not notify the Transferring Shareholder within the stipulated 14 days period, such Shareholder shall be deemed to have rejected the offer under the Transfer Notice.

- 7.2.4. If the Company or the other Shareholders do not accept, or if they have rejected, the offer under the Transfer Notice, then the Transferring Shareholder shall be entitled to sell the Offered Shares to a third party on terms not more favorable for the acquirer than the terms that the Company and the other Shareholders were entitled to under the Transfer Notice, provided that such sale is completed within 45 days from the day the Transferring Shareholder became entitled to sell the Offered Shares under this Clause 7.2 and such third party acquirer agrees in writing to be bound by this Agreement as set forth in Clause 7.1.3.

7.3. Transfer of Founder Shares, Consent and Right of First Refusal

- 7.3.1. Sale and transfer by any holders of Founder Shares shall be subject to the Company and the other Shareholders being first offered the opportunity to purchase such Founder Shares in accordance with this Clause 7.3. Irrespective of what is otherwise set forth in this Agreement, sale and transfer by any holders of Founder Shares shall for a period of [six] years from the Signing Date require a Founder Majority Consent. However, such consent shall not be needed for the Founders' right to sell their Shares under Clauses 7.3.4, 7.4 and 7.5, when applicable.
- 7.3.2. If a holder of Founder Shares (the "**Transferring Founder**") wishes to sell and transfer all or some of its Founder Shares (the "**Offered Founder Shares**"), the Company primarily and the other Shareholders secondarily shall have a right of first refusal to purchase such Offered Founder Shares in accordance with the below.
- 7.3.3. The provisions set forth in Clause 7.2.3 and 7.2.4 shall apply, *mutatis mutandis*, regarding the Transferring Founder's transfer of the Offered Founder Shares.

7.3.4. Notwithstanding anything to the contrary contained in this Agreement Aalto shall have, at the sole discretion of Aalto, the right to sell, and the Company shall be obligated to purchase, Aalto's Founder Shares for a purchase price of one (1) euro upon Aalto's written request. The transaction under this section shall be executed promptly, but no later than seven (7) business days from Aalto's written request. The right of ownership of Aalto's Founder Shares shall pass to Company in connection with payment of the purchase price. It is acknowledged and understood that the right of first refusal under Clause 7.2 and the tag along right under Clause 7.5 shall not apply to any transfer made under this clause.

7.4. Drag along right

- 7.4.1. If a bona fide arm's length third party (the "**Third Party Purchaser**") makes a written offer of a Sale and Shareholders representing more than 2/3 of the Shares wish to accept such offer, such Shareholders (the "**Dragging Shareholders**") shall have the option to require (the "**Drag Along Right**") that the other Shareholders shall sell and transfer all of their Shares to such Third Party Purchaser (or as the Third Party Purchaser shall direct in accordance with the provisions of this Clause 7.4) against the consideration per Share determined in the Sale offer and otherwise on the same terms

Commented [EB21]: These clauses define the general right of first refusal in the company and will be reused in later clauses.

Commented [EB22]: Founders are not allowed to transfer their shares for some years (unless other shareholders agree). Afterwards, same rules regarding right of first refusal as for other shareholders applies.

Commented [EB23]: Drag Along means that you can force other shareholders to sell their shares.

If you receive an offer to buy the whole company and enough shareholders agree, they can force all other shareholders to also sell their shares. The purpose is to make it easier to sell the company even if a few minor shareholders don't want to. Otherwise you may end up in a locked situation where you can't do any progress.

and conditions as the Dragging Shareholders (however with any agreed exceptions under this Agreement). Any sale pursuant to this Clause 7.4 shall not be subject to the Company's and the other Shareholders' right of first refusal as set forth in Clauses 7.2 and 7.3.

- 7.4.2. The Dragging Shareholders may exercise the Drag Along Right by giving written notice to the other Shareholders with a copy to the Board (a "**Drag Along Notice**") to that effect at any time before the transfer of their Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the other Shareholders are required to transfer all their Shares (the "**Called Shares**") pursuant to this Clause 7.4, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Clause 7.4) and the proposed date of transfer.
- 7.4.3. Drag Along Notices shall lapse if for any reason there is not a Sale of the Dragging Shareholders' Shares to the Third Party Purchaser within 90 days after the date of service of the Drag Along Notice.

7.5. **Tag along rights**

If a Shareholder (the "**Selling Shareholder**") proposes and has the right to transfer some or all of its Shares in accordance with this Agreement, then the other Shareholders (the "**Tagging Shareholders**") shall have the option (the "**Tag Along Right**"), but not the obligation, to require that the proposed purchaser simultaneously acquires from the Tagging Shareholders at the same time such number of Shares as specified by the Tagging Shareholders, at a price per Share corresponding to the highest price paid by the proposed purchaser for the Shares in the transfer in question. In the event of such a proposed transfer, the Selling Shareholder shall provide all Tagging Shareholders with a written notice of all the material terms and conditions of such proposed transfer (including, inter alia, the name of the purchaser, the number of Shares and the consideration per Share subject to the offer). The Tagging Shareholders shall have the right, exercisable by written notice given to the Selling Shareholder within 30 days after receipt of the written notice from the Selling Shareholder, to request the Selling Shareholder to include in the proposed transfer the number of Shares held by the Tagging Shareholders as is specified in such notice given to the Selling Shareholder, provided that if the aggregate number of Shares proposed to be transferred by the Selling Shareholder and by the Tagging Shareholders exceeds the number of Shares which can be transferred to the purchaser at the price set forth in the notice given by the Selling Shareholder, then each Tagging Shareholder shall only be entitled to request that the Shares that can be transferred to the purchaser are divided between the Selling Shareholder and the Tagging Shareholders on a *pro rata* basis based upon such Selling Shareholder's and the Tagging Shareholders' percentage ownership of all Shares.

Commented [EB24]: Tag Along means that if someone else sells their shares, you have the right to do the same thing to the same purchaser.

7.6. **Exempt transfers**

- 7.6.1. Notwithstanding anything else stated in Clause 7 of this Agreement or the Articles, each Shareholder shall be entitled to freely transfer all or some of its Shares in case of a sale and transfer or assignment of Shares by it to any company wholly owned and controlled by either the transferring Shareholder or the sole holder of shares in the transferring Shareholder, subject to that such a company enters into this Agreement

as a party (such a company shall be referred to as an “**Affiliated Company**”). It is acknowledged and understood that the right of first refusal under Clause 7.2 or 7.3 and the tag along right under Clause 7.5 shall not apply to any transfer made pursuant to this Clause 7.6.

- 7.6.2. Notwithstanding a transfer pursuant to Clause 7.6.1 above, the transferring Shareholder shall remain a party to this Agreement. The transferring Shareholder is furthermore jointly and severally liable for the Affiliated Company correctly fulfilling its obligations under this Agreement.
- 7.6.3. The transferring Shareholder shall ensure that the shares in the Affiliated Company are not transferred or pledged and shall not entitle any third party to subscribe for shares or give subscription rights, warrants, convertibles or other instruments or securities giving such a third party the right to receive, or otherwise call for or demand, a new issue or transfer of shares or other instruments or securities of the Affiliated Company.
- 7.6.4. Should the transferring Shareholder or the sole holder of shares in the transferring Shareholder, as the case may be, cease to be the sole owner and controller of all the shares of the Affiliated Company, the Affiliated Company undertakes to transfer all Shares, held by the Affiliated Company, back to the transferring Shareholder within ten Business Days. The transferring Shareholder covenants to contribute to the transfer.

Commented [EB25]: All shareholders are always allowed to transfer their shares to a company that they fully own (without the other shareholders having any veto or right of first refusal), under two assumptions: the new shareholding company enters into this agreement and if they let someone else become a shareholder of the company, they must take the shares back.

8. VESTING AND PURCHASE RIGHTS

8.1. Vesting

- 8.1.1. For the purposes of this Clause 8, the Shares held directly or indirectly by each of the Key Persons shall vest as follows: 25% to vest one year from the Signing Date, or the later date of such Key Person's adherence (directly or indirectly through his/her company) to this Agreement (in case such Key Person adheres to this Agreement after the Signing Date), (the “**Vesting Commencement Date**”) and the remaining 75% to vest in equal monthly installments over the following 36 months. Notwithstanding the above, the Board shall have the right to agree on deviations to the above regular vesting period on a case by case basis in writing, subject to a Founder Majority Consent.
- 8.1.2. A Sale shall accelerate the vesting of the unvested Shares held directly or indirectly by the Key Persons, respectively, to the effect that all such unvested Shares will vest upon the occurrence of a Sale provided that, as a result of such Sale, the Key Person or such Key Person's company, as the case may be, has his/her/its employment or service agreement terminated by the Company due to reasons which would not be considered valid grounds for dismissal under Section 2 of Chapter 7 or Section 1 of Chapter 8 of the Finnish Employment Contracts Act (regardless of the respective person being an employee or a managing director or not).

Commented [EB26]: The primary resource of most early stage startups is the founders' and other key persons' commitment to focus 100% on building the company during many years.

The purpose of this vesting clause is to make sure that if a founder or other key person stops working for the company early, they have to return all or some of their shares. Those shares can then for example be used to recruit a new co-founder/employee.

Commented [HA27]: Only applicable to Key Person Founders. Not to Aalto University who has no vesting periods as a Founder.

Commented [EB28]: The vesting schedule typically contains a one-year cliff, meaning that no shares vest until after 12 months, when a big chunk of your shares vests at once. From that date, a small part of your shares vests every month until all shares are vested.

	<i>Vested Shares</i>	<i>Unvested Shares</i>
<i>Good Leaver</i>	Stays with Key Person	Sold for the Original Subscription Price until the first anniversary and for fair market value thereafter
<i>Bad Leaver</i>	Stays with Key Person	Sold for the Original Subscription Price

Table 11114: Overview of the effects of a Key Person becoming a Good or Bad Leaver. For illustrative purposes only; the text in Clauses 8.2 and 8.3 shall prevail.

8.2. **Bad Leaver purchase rights**

- 8.2.1. If, before the end of the period of 4 years from the Vesting Commencement Date, any of the Key Persons or such Key Person's company, as the case may be,
- (i) terminates his/her/its employment or service relationship with the Company;
 - (ii) has his/her/its employment or service agreement terminated by the Company due to reasons which would be considered valid grounds for dismissal under Section 2 of Chapter 7 or Section 1 of Chapter 8 of the Finnish Employment Contracts Act (regardless of the respective person being an employee or a managing director or not); or
 - (iii) makes a material breach of Clause 5 (dedication) or Clause 11 (non-compete and non-solicitation) which breach is not remedied (if possible to be remedied) within a period of 30 days after the respective Key Person received a written notice from the Company and/or any other Shareholder of the breach,

then such person, as applicable, (the "**Bad Leaver**") shall be obligated, unless otherwise decided by the Board with a Founder Majority Consent, to offer his/her directly or indirectly owned unvested Shares to be sold to the Company primarily and the other Shareholders secondarily, who shall be entitled, but not under an obligation, to purchase the unvested Shares.

- 8.2.2. The notice regarding the exercise of the right to purchase the Bad Leaver's unvested Shares shall be given by the Company to all other Shareholders within two months from the date when the Company became aware of the reason triggering the purchase right. If the Company has not confirmed within the above two months period that it will purchase all such Shares, then the other Shareholders shall have the right to purchase the remaining of such Shares by giving a written notice to all other Shareholders within four months from the date when the Company became aware of the reason triggering the purchase right.
- 8.2.3. If several Shareholders wish to exercise their right to purchase the Bad Leaver's unvested Shares, such Shares shall be divided among the Shareholders wishing to purchase the Shares on a *pro rata* basis in relation to their (at the applicable time) holdings of Shares out of the total number of Shares held by them as a group.

Commented [EB29]: See the table above for an overview of the effects of vesting.

8.2.4. The purchase price per unvested Share under this Clause 8.2 shall be the Original Subscription Price of such Share.

8.3. Good Leaver purchase rights

8.3.1. If, before the end of the period of 4 years from the Vesting Commencement Date, any of the Key Persons or such Key Person's company, as the case may be, is not working full-time in or for the Company for any other reason than the reasons mentioned in Clause 8.2.1, then such person, as applicable, (the "Good Leaver") shall be obligated, unless otherwise decided by the Board with a Founder Majority Consent, to offer his/her directly or indirectly owned unvested Shares to be sold to the Company primarily and the other Shareholders secondarily, who shall be entitled, but not under an obligation, to purchase the unvested Shares.

8.3.2. Redemption pursuant to Clause 8.3.1 shall be undertaken in accordance with the provisions set forth in Clauses 8.2.2 and 8.2.3 *mutatis mutandis*. The purchase price per unvested Share under this Clause 8.3 shall be until the first anniversary of the Vesting Commencement Date the Original Subscription Price of such Share and, thereafter, the fair market value as determined at a valuation pursuant to the provisions set forth in Clause 10.

8.3.3. Notwithstanding this Clause 8.3, in the case of death of a Key Person, Clause 9.6 shall prevail.

8.4. Power of attorney

The transfer of the Key Person's directly or indirectly held unvested Shares to be purchased under this Clause 8 shall take place no later than within fourteen (14) days after the date when the Company and/or the Shareholder(s) exercising their purchase right have notified the respective Key Person of their confirmation to acquire such Key Person's unvested Shares or part of them. In the event the Key Person will not sign a customary share purchase agreement to effect such transfer within the above time period, the acquisition and transfer of title of the purchased Shares shall be regarded to have taken place upon the Company and/or the Shareholder(s) exercising their purchase right notifying the respective Key Person of their confirmation to acquire such Key Person's unvested Shares or part of them and paying the corresponding purchase price to the bank account of the Key Person or if he/she has not provided details of his/her bank account, to a new bank account opened in the name of the Company specifically for the purposes of depositing the purchase price for the benefit of the respective Key Person.

8.5. Employee stock options

For the avoidance of doubt, in case of employee stock options, the terms of the stock option scheme shall prevail, i.e. the stock options and the Shares subscribed with stock options shall not be subject to the vesting and purchase provisions of this Clause 8.

[Employee stock options may not dilute Aalto before closing a pre-seed or seed investment round of minimum 300 000 € from an external investor.](#)

Commented [HA30]: Aalto should keep the same % until the next qualified round from the tech transfer, so any options should be granted prior to Aalto joining the SHA or after the financing round or not dilute Aalto if done in between the tech transfer and pre-seed/seed round.

9. REDEMPTION OF SHARES

9.1. General

In this Clause 9 the expression Shares includes also Equity Instruments.

9.2. Redemption of Shares subject to material breach of contract

- 9.2.1. A material breach of any of the provisions set forth in this Agreement by a party (the **"Defaulting Party"**), other than a circumstance where Clause 8 is applicable, shall be considered a material breach of contract and if no remedies are undertaken within 30 days from receipt by the Defaulting Party of a written request from at least two Shareholders (the **"Requesting Shareholders"**) to cease the violation, the other Shareholders (than the Defaulting Party) shall have the right to redeem the Shares directly or indirectly held by the Defaulting Party. A Shareholder shall only be obliged to request rectification in writing if the material breach of contract is of such a nature that rectification is possible. Should rectification not be possible, the other Shareholders shall instead have the right to redeem the Shares directly or indirectly held by the Defaulting Party without the prior written request for rectification (and thus without compliance with the period of rectification). When the Requesting Shareholders request rectification from the Defaulting Party or redemption pursuant to the provisions set forth in this provision, they shall at the same time send a copy of such a request to the other parties and the Board.
- 9.2.2. Redemption pursuant to this Clause 9.2 shall not exclude other remedies with reference to the material breach of contract.
- 9.2.3. To the extent damages shall be paid due to the breach of contract and redemption of the Shares directly or indirectly held by the Defaulting Party has been undertaken, reduction in the purchase price as set forth in Clause 9.2.6, shall be taken into account upon calculation of the damages.
- 9.2.4. Not later than 30 days from the expiry of the period of rectification or, if no request was required, 30 days from the Requesting Shareholders' request for redemption, each of the other Shareholders, who wish to redeem the Shares directly or indirectly held by the Defaulting Party, shall notify the Defaulting Party accordingly in writing with a copy to the other parties and the Board. Should a Shareholder not wish to redeem all of the Shares directly or indirectly held by the Defaulting Party, the notice shall set forth the maximum number of Shares the Shareholder wishes to redeem. Should a Shareholder refrain from submitting such a notice within the above-mentioned 30 day-period, the said Shareholder shall be considered as refraining from its right for redemption of the Shares.
- 9.2.5. Subject to the other Shareholder(s) individually or jointly, within the above-mentioned redemption period, notifying that the redemption right will be called upon for all or a part of the Shares directly or indirectly held by the Defaulting Party, the other Shareholders shall acquire such Shares from the Defaulting Party or the company holding such Shares. Should more than one of the other Shareholders wish to call upon the redemption right, the other Shareholders shall be allotted Shares in proportion to their respective shareholdings in the Company at the time of the redemption. Any excess Share(s) shall be distributed among the other Shareholders

Commented [EB31]: If someone makes a serious breach of this agreement, and can't or won't fix it within 30 days, they can be forced to sell their shares to the other shareholders for a percentage of the market price.

You may think that all the subclauses to this clause is an awfully complicated way to say exactly that, but there are many details to cover and the last thing you want to happen is to have yet another argument about *how* you can force someone to sell their shares.

by the drawing of lots, which shall be arranged for by the Board. However, none of the other Shareholders shall be obliged to acquire more Shares than the Shareholder, if applicable, has notified as the maximum number of Shares in their request for redemption. Upon expiry of the redemption period (or any earlier date when all other Shareholders have notified whether they wish to utilize the redemption right) and if the above-mentioned provisions have been fulfilled, the Defaulting Party or the company that held the Shares shall, if applicable, submit share certificates, other securities, certificates or documents representing the Shares, duly transferred to the other Shareholders requesting redemption, whereby the right of ownership shall pass.

- 9.2.6. The purchase price upon redemption pursuant to the provisions set forth in Clause 9.2 shall amount to **50%** of the Share value as determined at a valuation pursuant to the provisions set forth in Clause 10. The purchase price for the Shares shall be paid in cash within **30** days from the date on which the value of the Shares was finally determined.

9.3. **Redemption of Shares subject to change of control**

Each Shareholder shall have the right to request redemption of Shares held by a Shareholder, if a third party, whether natural or legal person, gains control (directly or indirectly) of such Shareholder (regardless whether by transfer, new issue or in any other way). Redemption pursuant to this provision shall be undertaken in accordance with the provisions set forth in Clause 9.2 *mutatis mutandis*, however, without any reduction in the purchase price. Furthermore, the redemption period shall be calculated from the date when the other Shareholders were notified of the change of control. The right of ownership shall pass in connection with payment of the purchase price for the Shares. For the avoidance of doubt, this Clause 9.3 shall not apply to permitted transfers made pursuant to Clauses 7.6.

Commented [EB32]: If the ownership in one of the shareholders (only relevant for shareholders that are companies) changes drastically, they can be forced to sell their shares. This is nice to have if for example a shareholder tries to sell their own holding company to a competitor and you don't want the competitor to become an indirect shareholder of your company.

9.4. **Redemption subject to liquidation etc.**

Should a party enter into liquidation, enter into company reorganization (Fi. *yrittysrae*) or otherwise reasonably be considered insolvent, the other Shareholders shall have the right to redeem the Shares directly or indirectly held by the said party. Redemption pursuant to this provision shall be undertaken in accordance with the provisions set forth in Clause 9.2 *mutatis mutandis*, however, without any reduction in the purchase price. Furthermore, the redemption period shall be calculated from the date when the other Shareholders were notified of the above-mentioned occasion. The right of ownership shall pass in connection with payment of the purchase price for the Shares.

Commented [EB33]: If a shareholder gets into real financial trouble, you can buy their shares in order to avoid the shares ending up in the wrong hands, e.g. after a bankruptcy.

9.5. **Redemption of Shares subject to division of property**

- 9.5.1. Should a party, who is a natural person, be deprived of Shares (which is directly or indirectly held by such party) by means of division of joint property (Fi. *ositus*), the other Shareholders shall have the right to redeem the Shares directly or indirectly held by such party. Redemption pursuant to this provision shall be undertaken in accordance with the provisions set forth in Clause 9.2 *mutatis mutandis*, however, without any reduction in the purchase price. Furthermore, the redemption period shall be calculated from the date when the other Shareholders were notified of the above-mentioned occasion. The right of ownership shall pass in connection with payment of the purchase price for the Shares.

Commented [EB34]: There is a clause above in this agreement that says that all shareholders (who are physical persons) must have prenuptial arrangements or similar to avoid that their spouse can get hold of the shares in case of divorce. This clause says that if that would happen anyway, the other shareholders may buy the shares from the spouse. And if that would not happen or be possible for some reason, then at least the spouse must enter into this agreement.

9.5.2. Should redemption pursuant to the provisions set forth in Clause 9.5.1 not be undertaken, the person directly or indirectly acquiring the Shares by means of division of joint property shall enter into the Agreement as a party.

9.6. **Redemption of Shares subject to death**

9.6.1. Should a party, who is a natural person, decease, the other Shareholders shall have the right to redeem the Shares directly or indirectly held by the said party. Redemption pursuant to this provision shall be undertaken in accordance with the provisions set forth in Clause 9.2 *mutatis mutandis*, however, without any reduction in the purchase price. Furthermore, the redemption period shall be calculated from the date when the other Shareholders were notified of the above-mentioned occasion. The right of ownership shall pass in connection with payment of the purchase price for the Shares.

9.6.2. Should redemption pursuant to the provisions set forth in Clause 9.6.1 not be undertaken, the person directly or indirectly acquiring the Shares by means of inheritance shall enter into the Agreement as a party.

9.7. **Redemption of Shares in case of criminal verdict**

9.7.1. Each Shareholder shall have the right to request redemption of Shares held by a direct or indirect Shareholder who is convicted of a crime, if

- (i) the verdict has gained legal force;
- (ii) the crime may, according to the opinion of a majority of the other Shareholders, harm the Company; and
- (iii) such crime may lead to an imprisonment penalty for two years or more and/or the crime was directed towards the Company, a Subsidiary or the Company's and/or a Subsidiary's shareholder, employee, consultant, customer, supplier or partner.

9.7.2. Redemption pursuant to the provisions set forth in Clause 9.7.1 shall be undertaken in accordance with the provisions set forth in Clause 9.2 *mutatis mutandis*. The redemption period shall be calculated from the date when the other Shareholders were notified by the convicted (direct or indirect) Shareholder, according to the provisions in Clause ~~222224~~, that the above-mentioned verdict has gained legal force. The right of ownership shall pass in connection with payment of the purchase price for the Shares.

10. **VALUATION OF SHARES**

10.1. In the event that the value of the Shares shall be determined pursuant to the Agreement, and where the relevant parties cannot agree on the value of the Shares within two weeks from the date when the discussion about the value of Shares was initiated, the value shall, at the request of a party, be finally determined by a committee consisting of two independent valuation officers. Each of the valuation officers shall be active at any of the accounting companies KPMG, PwC, EY or Deloitte, whereby one valuation officer shall be appointed by the party requesting the valuation and the second valuation officer shall be appointed by the other parties concerned by the valuation. If the other parties concerned by the valuation cannot agree on the second valuation officer within seven days, the second

Commented [EB35]: Let's really hope that no one dies, but it can happen. Similar to the case with a divorce, the other shareholders should be allowed to buy the shares before they are inherited. If that doesn't happen (possibly also for legal reasons), the receiver of the shares must enter into this agreement.

Commented [EB36]: If a shareholder is convicted for a serious crime, or a crime that is directed towards someone related to the company (e.g. an employee), they can be forced to sell their shares (for the same discounted price as in the case of a serious breach of this agreement).

Commented [EB37]: In some cases you need to agree on market price of the shares in the company. If this is not possible to agree upon, you need external help. This section describes what that process looks like. There is no perfect way to solve it, but this is one way.

valuation officer shall be the Company's auditor. The valuation officers shall within two weeks attempt to agree on a valuation of the Shares and, in case of disagreement, they shall each make an independent valuation. The basis for the valuation shall be to determine the market value of the Shares as per the day of the request for redemption pursuant to the then currently applicable practice for company valuation. Equity Instruments shall be valued at market value as per the day of request for redemption at the then applicable customary valuation principles. Each Share and each Equity Instrument, respectively, shall be deemed to have the value corresponding to the value of the whole Company divided by the number of outstanding Shares and Equity Instruments (on a fully diluted basis). The so determined market value shall be the average value between the two valuations, unless one of the valuations is more than 20% higher than the other.

- 10.2. If one of the valuations is more than 20% higher than the other valuation, the two appointed valuation officers shall jointly appoint a third valuation officer, who shall determine one of the valuations as the final valuation. If the two valuation officers fail to agree on the third valuation officer within seven days, such third valuation officer shall be appointed by the Board. The determined market value shall be final and binding on the parties.
- 10.3. The costs pertaining to the valuation pursuant to this provision shall, as a general rule, be divided between the party, whose Shares are subject to redemption and the redeeming parties half each. Should the reason for the redemption be attributable to the provisions set forth in Clause 9.2, the costs for the valuation shall be carried by the said party in full whose Shares are being redeemed.

11. COMPLIANCE WITH ECONOMIC SANCTIONS REGULATIONS

- 11.1. Each Shareholder shall undertake that they are not on the Signing Date or for so long as he/she/it holds Shares in the Company: (a) targeted by applicable Economic Sanctions and Export Control Regulations and/or (b) involved in activities that would be prohibited by the Economic Sanctions and Export Control Regulations.
- 11.2. Each Shareholder shall undertake that they are not, on the Signing Date or for so long as he/she/it holds Shares in the Company, a Sanctioned Person and is not acting on behalf of or at the direction of a Sanctioned Person.
- 11.3. "Economic Sanctions and Export Control Regulations" shall mean any applicable economic, financial, trade or export controls laws, regulations, embargoes or other restrictive measures enacted, administered, implemented, and/or enforced from time to time by any sanction and/or export control authority of Finland, the European Union, United Nations, the United Kingdom, the United States or an agency thereof, or any country that has jurisdiction over the activity of the Shareholders.
- 11.4. "Sanctioned Person" shall mean any individual or entity listed on a Sanctions List or is 50% or more owned (directly or indirectly) or controlled by (as per the definition of control under the relevant Economic Sanctions and Export Control Regulation) any individual or entity listed on a Sanctions List. "Sanctions List" shall mean any of the lists of persons and entities subjected to comprehensive or targeted restrictive measures under any Economic Sanctions and Export Control Regulations.

11.12. NON-COMPETE AND NON-SOLICITATION

11.12.1. Each of the Founders and the Key Persons and Key Persons' companies hereby undertakes and covenants that (save for any interest in the shares or other securities of a company traded on a securities market so long as such interest does not extend to more than 5% of the issued share capital of the company or the class of securities concerned) he/she/it shall not as long as he/she/it is a direct or indirect Shareholder and one year thereafter:

- (i) carry on or be concerned, engaged or interested directly or indirectly in any capacity whatsoever in any trade or business competing with the Business; or
- (ii) either on his/her/its own behalf or in any other capacity whatsoever directly or indirectly endeavor to entice away from the Company or solicit or engage any person or company who is client, customer, supplier, agent, distributor or employee of the Company.

11.12.2. The obligations on a party under this Clause 11 shall survive any transfer of all or any Shares and shall survive, in the case the party is a physical person, him/her ceasing to be a director or employee of or consultant to the Company.

11.12.3. The Board shall have the right, at the justified request made by the relevant person in writing, to agree on exceptions (also in the Adherence Agreement(s)) to the above non-compete and non-solicitation undertakings on a case by case basis, subject to a Founder Majority Consent.

12.13. INTELLECTUAL PROPERTY

12.13.1. Each of the Founders and the Key Persons acknowledges and confirms that all Intellectual Property shall be the exclusive property of the Company.

13.2. Each of the Founders and the Key Persons hereby exclusively, entirely and irrevocably assigns/transfers to the Company any and all rights, title and interest and benefit to any and all Intellectual Property held by it, including, but not limited to, the right to make changes and modifications thereof as well as the right to further assign/transfer such rights to any third party, for no compensation, or such compensation as required by law. Furthermore, each of the Founders and the Key Persons hereby undertakes to take all such actions necessary to effect such assignment/transfer.

13.3. With this Agreement Aalto commits to exclusively, entirely and irrevocably assign to the Company, under a separately signed Technology Transfer Agreement, any and all rights, title and interest and benefits to the Intellectual Property, including, but not limited to, the right to make changes and modifications thereof as well as the right to further assign/transfer such rights to any third party, for no compensation, or such compensation as required by law. Such Intellectual Property shall be defined in a Technology Transfer Agreement to be executed between the Company and Aalto after signing this Agreement. The Company shall commit not to transfer the intellectual property transferred in accordance with the Technology Transfer Agreement to a third party without the prior

Commented [EB38]: The founders and other key persons are not allowed to compete with the company, or to do anything to help a competitor.

Also, they are not allowed to try to steal employees, consultants, customers etc. from the company (even if it's not for helping a competitor).

These restrictions apply also during one year after that person sold all his/her shares in the company.

Commented [HA39]: The Non-Compete and Non-Solicit clauses are not applicable to Aalto University.

Commented [EB40]: All intellectual property (as defined in section 1) shall be fully owned by the company and all founders, other key persons and existing shareholders must do what they can to ensure that it stays that way.

written approval of Aalto before the closing of a pre-seed or seed investment round of minimum 300 000 € from an external investor and any transfer to affiliate persons or companies until exit or IPO.

~~12.2.~~13.4. _____ The obligations on a party under this Clause ~~1313~~12 shall survive any transfer of all or any Shares and shall survive, in the case the party is a physical person, him/her ceasing to be a director or employee of or consultant to the Company if the Intellectual Property had been created prior to such transfer of all or any Shares and, in the case the party is a physical person, prior to him/her ceasing to be a director or employee of or consultant to the Company.

~~13.~~14. TERM AND TERMINATION

~~13.1.~~14.1. _____ This Agreement enters into force as per the date hereof and will remain valid and in full force and binding on the Shareholders as long as they own Shares and as otherwise set out herein.

~~13.2.~~14.2. _____ Unless otherwise stated in this Agreement and save for Clauses ~~1919~~18-2323~~22~~, in the event a Shareholder transfers all of its Shares in accordance with the terms of this Agreement, that Shareholder shall no longer be a party to this Agreement. For the sake of clarity, any transfer of Shares in breach of this Agreement shall not terminate this Agreement with respect to such transferring Shareholder.

~~13.3.~~14.3. _____ In the event of an Exit that is consummated through an IPO this Agreement shall automatically expire on the first day the Shares are publicly traded.

~~14.~~15. SHARE CERTIFICATES

The parties agree that no share certificates representing the Shares shall be issued. Any outstanding share certificates (if any) shall be cancelled in connection with the execution of this Agreement.

Commented [EB41]: It's often administratively painful to deal with share certificates (unless you're a big fan of papers and bank safes).

~~15.~~16. CONFIDENTIALITY

~~15.1.~~16.1. _____ Each of the parties agrees to keep secret and confidential and not to use or disclose to any third party (except for the purposes of the Business) any confidential information relating to the Company or the Business. A party is not subject to this confidentiality undertaking if and only insofar as (i) the information is in the public domain (otherwise than through the wrongful disclosure of any party), (ii) the party or its affiliates have by reasonable proof already been in the possession of such information at the time of the receipt of the information, (iii) the information shall be disclosed to its professional advisors, and/or (iv) the disclosure of the information is required by law or by the rules of any regulatory body to which the party is subject.

Commented [EB42]: Simply put: Shut up! And keep your mouth shut for 7 years after you sell your shares.

~~15.2.16.2.~~ The Shareholders shall be entitled to pass information to third parties (subject to the third party agreeing to suitable confidentiality restrictions) with a view to effecting or facilitating a transfer of Shares pursuant to this Agreement.

~~15.3.16.3.~~ The obligations on a party under this Clause ~~1616~~ shall survive any transfer of all or any Shares and, in the case the party is a physical person, shall survive him/her ceasing to be a director or employee of or consultant to the Company, for a period of seven years.

~~16.17.~~ EFFECT OF CEASING TO HOLD SHARES

Subject to the provisions set forth in Clauses 11, ~~1313~~ and ~~1616~~, a party shall cease to be a party to this Agreement for the purpose of receiving benefits and enforcing its rights with effect from the date it ceases to hold or beneficially own any Shares (but without prejudice to any benefits and rights enjoyed prior to such cessation).

~~17.18.~~ ENTIRE AGREEMENT

~~17.1.18.1.~~ This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all previous and contemporaneous negotiations and understandings between the parties, whether written or oral.

~~17.2.18.2.~~ The parties agree that in case of conflicts between this Agreement and the Articles or this Agreement and the Finnish Companies Act (Fi. *Osakeyhtiölaki (2006/624)*) (save for any mandatory provisions), this Agreement shall prevail.

~~18.19.~~ CHANGES AND ADDITIONS

Changes and additions to this Agreement, including to this provision, must be in writing and duly executed by all parties, save for what is stated in Clause 2.2.3. Notwithstanding the above, Shareholders representing at least 90% of the Shares may jointly, with binding effect on all parties, agree on amendments and modifications to this Agreement provided that such amendments and modifications are generally applicable to all parties and do not treat any party or share class disproportionately worse than the other parties and share classes.

~~19.20.~~ SEVERANCE

If any provision of this Agreement is held to be invalid or unenforceable by any judicial or other competent authority, the remainder of that provision and all other provisions of this Agreement will remain in full force and effect and will not in any way be impaired. The parties agree to substitute the invalid or unenforceable provision by a provision which will come as close as possible to the intended economic effect of the invalid or unenforceable provision.

~~20.21.~~ TRANSFER OF AGREEMENT

None of the parties may assign nor transfer any part of their rights or obligations under this Agreement without the concurrent transfer of the Shares subject to this Agreement.

~~21.~~22. NOTICES

Notices shall be delivered to a party's address in accordance with the Agreement (or in each such case such other address as the recipient may notify to the other parties for such purpose). The notices shall be deemed to be duly received:

- (i) if delivered by hand or sent by reputable international overnight courier (with return or delivery receipt obtained) on the date of receipt by the recipient thereof (as set out in the courier receipt) if received prior to 5 pm (EET) and such day is a Business Day, and otherwise on the next Business Day;
- (ii) if sent by email if and when the other party notifies the receipt of the email, which shall not be unreasonably withheld; or
- (iii) if sent by registered mail, on the third day after posting.

The parties hereby accept that the Company uses email and other electronic communication when communicating with its shareholders.

~~22.~~23. DISPUTES AND GOVERNING LAW

~~22.1.~~23.1. Any dispute, controversy or claim arising out of, or in connection with, this Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The seat of arbitration shall be Helsinki, Finland. The language to be used in the arbitral proceedings shall be English, unless the parties have agreed otherwise.

~~22.2.~~23.2. The arbitral tribunal shall be composed of one or three arbitrators as decided in accordance with the Arbitration Rules of the Finland Chamber of Commerce.

~~22.3.~~23.3. The parties undertake and agree that all arbitral proceedings conducted with reference to this arbitration Clause will be kept strictly confidential. This notwithstanding, a party shall not be prevented from disclosing such information in order to safeguard in the best possible way its rights vis-à-vis the other parties in connection with the dispute, or if such a right exists pursuant to statute, regulation, a decision by an authority, a stock exchange rules or similar.

~~22.4.~~23.4. Any party, before or during any arbitral proceedings, may apply to a court having jurisdiction for a temporary restraining order or preliminary injunction where such relief is necessary to protect its interests pending completion of the arbitral proceedings.

~~22.5.~~23.5. This Agreement shall be governed by and construed in accordance with the laws of Finland, without regard to its choice of law provisions.

[SIGNATURE PAGE TO FOLLOW]

Commented [EB43]: It's crazy that it can be any other way, isn't it?

Commented [EB44]: If you can't agree on how to read this document, go to arbitration (google it!) instead of a proper court. That usually makes the process faster and you can keep it confidential.

Download the latest version at
seriesseed.fi.

This Agreement is executed by electronic signatures. The signature of a party's duly authorized representative in the electronic copy of this Agreement will be as enforceable as an original.

Aalto University Foundation sr

Marianna Bom, CFO

[This Agreement is executed by electronic signatures using Aalto Sign. Please find electronic signatures on the last page of this document]

Aalto University Foundation sr

Janne Laine, VP, Innovation

[This Agreement is executed by electronic signatures using Aalto Sign. Please find electronic signatures on the last page of this document]

[NAME]

[This Agreement is executed by electronic signatures using Aalto Sign. Please find electronic signatures on the last page of this document]

[NAME]

[This Agreement is executed by electronic signatures using Aalto Sign. Please find electronic signatures on the last page of this document]

[NAME]

[This Agreement is executed by electronic signatures using Aalto Sign. Please find electronic signatures on the last page of this document]

I hereby accede to, and agree to be bound by, the obligations in Clause 5 (dedication), Clause 8 (vesting and purchase rights), Clause 9 (redemption of Shares), Clause 11 (non-compete and non-solicitation), Clause 131312 (intellectual property) and Clause 161615 (confidentiality) in this Agreement and shall be regarded as a party to this Agreement for the said obligations. Clause 232322 (disputes and governing law) in this Agreement shall apply to any disputes in relation to this undertaking. [Note: This section is for physical founders/key persons who own shares through a company.]

[Name of physical owner of Founder 1]

[This Agreement is executed by electronic signatures using Aalto Sign. Please find electronic signatures on the last page of this document]

Commented [HA45]: Not applicable to Aalto University

Commented [EB46]: If a founder owns shares through a company, you don't want that founder to "hide" behind their company and blame their company for any misconduct. Also, if the founder makes something really nasty towards the company, suing the founder's company probably won't help. Therefore, the founder must sign him-/herself as well.

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[Name of physical owner of Founder 2]

[This Agreement is executed by electronic signatures using Aalto Sign. Please find electronic signatures on the last page of this document]

[Name of physical Key Person]

[This Agreement is executed by electronic signatures using Aalto Sign. Please find electronic signatures on the last page of this document]

SCHEDULE 1

PART 1: THE FOUNDERS

[Note: Only include shareholders. Exclude physical founders who own shares through a company (but include their company).]

Name and registration No./personal No.	Address	E-mail	Fully owned by (name and personal No. of physical founder) [Note: Only used when a founder owns shares through a company.]

PART 2: THE KEY PERSONS

[Note: Include both key employees who are shareholders and all business-critical physical founders (no matter if they own shares directly or through a company). Physical founders who are direct shareholders can be both "Founders" and "Key Persons".]

Name and personal No.	Address	E-mail

Download the latest version at
seriesseed.fi.

SCHEDULE 2

SHAREHOLDERS OF THE COMPANY

Capitalization Table.

Shareholder	<i>Excl. Equity Instruments</i>		<i>Incl. Equity Instruments (as if converted to Shares)</i>	
	Shares	Ownership	Equity Instruments	Ownership
TOTAL	[X]	100%	[X]	100%

Commented [EB47]: This includes both shares and options. If a founder has 100k shares and 5k options, he/she has 105k equity instruments.

SCHEDULE 3

ADHERENCE AGREEMENT

THIS AGREEMENT (the "**Agreement**") is made on [date] by [Name of recipient] (the "**Recipient**") and [Name of Company].

WHEREAS

1. By a [transfer/subscription for shares] dated [of even date herewith][date], [[party selling the Shares] (the "**Transferor**") transferred to the Recipient][the Recipient subscribed for] [number] Shares in the capital of [Company name] (the "**Company**") (together the "**Received Shares**").
2. This Agreement is entered into in compliance with the terms of Clause [relevant Clause in the shareholders' agreement] of an agreement dated [date] made between [names of parties to the shareholders' agreement] (which agreement is herein referred to as the "**Shareholders' Agreement**").

NOW THEREFORE IT IS HEREBY AGREED as follows:

1. Words and expressions used in this Agreement shall have the same meaning as is given to them in the Shareholders' Agreement unless the context otherwise expressly requires.
2. The Recipient hereby agrees to assume the benefit of the rights [of the Transferor] under the Shareholders' Agreement in respect of the Received Shares and hereby agrees to assume and assumes the burden of the [Transferor's] obligations under the Shareholders' Agreement to be performed after the date hereof in respect of the Received Shares.
3. The Recipient hereby agrees to be bound by the Shareholders' Agreement in all respects as if the Recipient were a party to the Shareholders' Agreement as one of the [Founders/Key Persons/Shareholders] and to perform all the obligations expressed to be imposed on such a party to the Shareholders' Agreement, to be performed on or after [the date hereof].
4. This Agreement 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.
5. [For the avoidance of doubt, nothing in this Agreement shall release the Transferor from any liability in respect of any obligations under the Shareholders' Agreement due to be performed prior to the date of this Agreement.]
6. None of the parties to the Shareholders' Agreement:
 - (a) makes any warranty or assumes any responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of the Shareholders' Agreement (or any agreement entered into pursuant thereto);

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- (b) makes any warranty or assumes any responsibility with respect to the content of any information regarding the Company or any member of the group or otherwise relating to the Received Shares; or
- (c) assumes any responsibility for the financial condition of the Company or any Subsidiary 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 of 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 Agreement shall be subject to the governing law (Clause [relevant Clause in the shareholders' agreement]) and dispute resolution (Clause [relevant Clause in the shareholders' agreement]) Clauses of the Shareholders' Agreement.

This Adherence Agreement has been executed on the date shown on the first page above.

EXECUTED by [name of Recipient]

[Place]

[Name Recipient]

[Name Representative]

EXECUTED by the Company on behalf of all other parties to the Shareholders' Agreement

[Place]

[Name Company]

[Name Representative]