

OPTION AGREEMENT

Agreement No [*]

[*], registry code: [*], address [*], e-mail address [*], represented by [*] [*] (the “Company”)
and

[*], personal identification code / date of birth [*], address [*], e-mail address [*] (“Optionholder”)
(collectively the “Parties”, each individually a “Party”).

This Agreement consists of (a) terms outlined in Section 1 (the “**Outlined Terms**”) and (b) detailed terms set out in Section 2 (the “**Detailed Terms**”).

1 OUTLINED TERMS

1.1 Option

Grant Date: [*]

Total number of Shares underlying the Option: [*] Shares. The Optionholder agrees that the share capital of the Company may change after the Grant Date and that the Optionholder is not protected against dilution.

1.2 Vesting

Vesting Start Date: [*]

Vesting: Vesting Period: [*] years from the Vesting Start Date

[*]% of the Shares shall vest on the 1st anniversary of the Vesting Start Date.

The remaining [*]% of the Shares shall vest in equal monthly installments over the following years of the Vesting Period so that all Shares shall become fully vested on the last anniversary of the Vesting Start Date.

Acceleration: No acceleration

1.3 Exercise

Exercise of Option: The Option may be exercised only in the following circumstances:

- a. upon Exit or Liquidation
- b. after [*]
- c. upon death of Optionholder

The specific Exercise Period applicable to each such situation is set out in Detailed Terms.

Exercise Price: EUR [*] per Share, i.e. EUR [*] for all Shares in total.

1.4 Good Leaver and Bad Leaver

Bad Leaver: The Optionholder becomes a “Bad Leaver” if the Optionholder voluntarily resigns or the Optionholder’s Professional Relationship is terminated for Cause, in each case during the Vesting Period, unless the Company determines that, irrespective of the above, the Optionholder is not a Bad Leaver.

“Voluntary resignation” means the unilateral termination of the Professional Relationship by the Optionholder which is not caused by (i) Company’s material breach of the Professional

Relationship or (ii) Optionholder's permanent inability to perform duties under the Professional Relationship due to health reasons (including in case of death).

“Termination for Cause” means termination of the Professional Relationship in circumstances where (i) the Optionholder has committed a material breach of the Professional Relationship or (ii) the Optionholder has been convicted of criminal offence or (iii) the Optionholder has caused material damage to the Company.

If the Optionholder becomes a Bad Leaver, the Optionholder's Option shall terminate with respect to both vested and unvested Shares. If the Bad Leaver has acquired any Shares under the Option, the Company may request the Optionholder to transfer all such Shares back free of charge.

Good Leaver: The Optionholder becomes a “Good Leaver” if the Optionholder's Professional Relationship is terminated during the Vesting Period in circumstances where the Optionholder is not a Bad Leaver.

If the Optionholder becomes a Good Leaver, the Optionholder's Option shall terminate with respect to unvested Shares.

The Good Leaver may exercise the Option with respect to vested Shares on the terms set out in Section 1.3 (“Exercise of Option”), except in case the Company sends the Optionholder a notice setting out a fixed Exercise Period (which period must be at least 30 days and start no later than 3 years after the Optionholder becomes a Good Leaver), in which case Section 1.3 shall not apply and the Good Leaver may exercise the Option only during such fixed Exercise Period (following which the Option, to the extent not exercised, shall terminate).

If the Good Leaver has acquired Shares under the Option, the Company may request the Optionholder to transfer such Shares back against payment of fair value for such Shares.

2 DETAILED TERMS

2.1 Definitions

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

“**Bad Leaver**” defined in the “Outlined Terms”.

“**Exercise Period**” period during which the Option is capable of being exercised.

“**Exercise Price**” price payable for the Shares upon the exercise of the Option, as stated in Outlined Terms.

“**Exit**” (i) the closing of the transfer of all or substantially all the Group Companies assets (including intellectual property rights), or the granting of an exclusive license over all or substantially all the intellectual property rights of the Group Companies (“**Asset Sale**”); and/or

(ii) the closing of the transfer of any Shares which will result in the acquirer of those Shares, and persons Controlled, Controlling or under common Control with such acquirer, acquiring Control over the Company (“**Share Sale**”)

irrespective of whether any of the above-described transactions is effected by sale, in-kind contribution, donation or otherwise and irrespective of whether it is effected in one transaction or series of related transactions,

except in case, the sole purpose of any such transaction is to:

(i) create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction; or

(ii) obtain funding for the Company in a bona fide financing transaction that is approved by the relevant governing body of the Company.

“**Control**” means a relationship in which an entity is a controlled entity of another entity or person within the meaning of Article 10 of the Securities Market Act (*väärtpapierituruseadus*).

“**Good Leaver**” defined in the Outlined Terms.

“**Grant Date**” date of signing of the Agreement, as stated in the Outlined Terms.

“**Group Company**” the Company or any of its subsidiaries.

“**Liquidation**” adoption of a resolution for the voluntary dissolution (*lõpetamine*) of the Company.

“**Option**” right to acquire Shares under the Agreement.

“**Agreement**” this option agreement between the Company and the Optionholder; the terms “Company” and “Optionholder” being defined in the preamble of such agreement.

“**Professional Relationship**” an employment relationship for unfixed term, management board member service relationship or other service relationship (*käsundussuhe*) (e.g. consultancy, advisory relationship, relationship from contract for works) between the Optionholder, on one hand, and any Group Company, on the other hand.

The Professional Relationship of an Optionholder shall not be treated as terminated if such Professional Relationship is transferred from one Group Company to another or if the status of the Optionholder changes from an employee to management board member or service provider or vice versa (even if the above involves a temporary cessation of Professional Relationship with any Group Company).

The Professional Relationship shall not be treated as terminated until such time as the Optionholder does not have Professional Relationship with any Group Company.

The Professional Relationship shall be considered terminated also in case the subsidiary, with whom the Professional Relationship exists, ceases to be the Company’s subsidiary or if the business of the Group Company, with whom the Professional Relationship exists, is transferred to an entity that is not a Group Company.

“**Share**” a notional part of a share (*osa*) of the Company having a nominal value of EUR 0.01; for example, 100 Shares mean a share of the Company with the nominal value of EUR 1. The Shares underlying the Option shall be ordinary shares or non-voting shares of the Company (as decided by the Company at its sole discretion), which may be subordinated to any preferential shares of the Company.

“**Vesting Period**” defined in the Outlined Terms.

“**Vesting Start Date**” defined in the Outlined Terms.

2.2 **Transferability**

2.2.1 The Option is personal to the Optionholder and is not transferable (except under the laws of inheritance) nor capable of being encumbered. Upon any purported transfer or encumbrance the Option shall terminate.

2.2.2 The Option shall also terminate in case bankruptcy is declared (or the equivalent decision is made in any relevant jurisdiction) in respect of the Optionholder.

2.3 **Vesting**

2.3.1 The Shares underlying the Option shall vest as set out in Section “Vesting” of the Outlined Terms. “Vested Shares” refers to the number of Shares with respect to which the Option has become exercisable.

2.3.2 Vesting shall be suspended for the period of the leave of absence of the Optionholder to the extent such leave exceeds, in any rolling 12-month period, 56 calendar days. In such case, the Vesting Period will be extended by the length of the suspension. In this clause, “leave of absence” includes any leave of absence for any reason, including annual base leave, leave without pay, sick leave, maternity leave, paternity leave, childcare leave etc.

2.4 **Acceleration**

2.4.1 There shall be no acceleration of vesting upon the Exit.

2.4.2 Upon the occurrence of Exit, the Company may, at its sole discretion, decide that the Optionholder may exercise the Option also with respect to all or part of the unvested Shares.

2.5 **Death of Optionholder**

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

2.6 **Exercise after certain date**

2.6.1 The Optionholder may exercise the Option at any time during the period starting from the specific date provided in Section 1.3 Outlined Terms date until the 10th anniversary of the Grant Date (such period being the “Exercise Period”).

2.6.2 Notwithstanding Section 2.6.1, the Company may, at its sole discretion, by submitting a respective notice to the Optionholder, determine that the Option may be exercised only during certain times in each year within the period set out in Section 2.6.1, provided that there is at least one 30-day period each year available for such exercise (in which case only any period so determined by the Company shall be the “Exercise Period”).

2.7 **Exit and Liquidation**

2.7.1 The Company shall notify the Optionholder of a proposed Exit in the form of Share Sale at least 14 days before the proposed completion of Exit or as soon as practicable after its completion. The Optionholder may exercise the Option during the period of 7 days from the receipt of such notice (such period being the “Exercise Period”). If the Company becomes aware that the proposed Exit will not be completed or the Exit is reversed, the Company shall return the option exercise notice and amounts paid in connection therewith (if any) to the Optionholder and no exercise of Option shall be treated as having occurred in connection with such Exit.

2.7.2 The Company shall notify the Optionholder of proposed Exit in the form of Asset Sale as soon as practicable after its completion. The Optionholder may exercise the Option during the period of 30 days from the receipt of such notice (such period being the “Exercise Period”).

2.7.3 The Company shall notify the Optionholder of the occurrence of Liquidation, i.e. adoption of resolution for the voluntary winding up of the Company. The Optionholder may exercise the Option during the period of 30 days from the receipt of such notice (such period being the “Exercise Period”).

2.7.4 Upon the expiry of the relevant Exercise Period set forth in Section 2.7.1-2.7.3 the Option, to the extent vested but not been exercised, shall terminate. With respect to the unvested Shares the Company may, at its sole discretion, determine that:

- Option will terminate in full upon the completion Exit or Liquidation; and/or
- all or part of the Option will not terminate and survive the Exit; and/or

- all or part of the Option will be substituted with a new option or similar instrument(s) by the person who is the acquiring party in the Exit or a company belonging to its group; and/or
- all or part of the Option will be cancelled in exchange for a payment to the Optionholder equal to the excess of (i) the fair value of the unvested Shares underlying such Option as of the closing date of the Exit or Liquidation over (ii) the Exercise Price to be paid for such Shares.

The Company may make any determination under this Section 2.7.4 without the consent of the Optionholder and such determination need not treat all optionholders in an identical manner.

2.8 **Procedure for Exercise of Option**

- 2.8.1 An Option may be exercised only with respect to vested Shares, only during the Exercise Period and only by the relevant Optionholder or, upon the Optionholder's death, by the Optionholder's successors.
- 2.8.2 An Option may not be exercised for a fraction of a Share. If the Option which has become exercisable would entitle the Optionholder to acquire a fraction of a Share then, upon the exercise of such Option, the nominal value will be rounded down to the nearest whole number and respective fractions will be added to the Option that becomes exercisable in the future.
- 2.8.3 In order to exercise an Option, the Optionholder shall take the following actions in relation thereto:
- the Optionholder shall deliver to the Company a notice in the form set out in Appendix 1 duly completed and signed by the Optionholder together with the copy of this Agreement;
 - the Optionholder shall pay to the Company an amount equal to the aggregate Exercise Price for the number of Shares over which the Option is to be exercised or make such arrangements for such payment as the Company shall permit;
 - the Optionholder shall pay to the Company any tax liability if and as required under Section 2.10 or make such arrangements for such payment as the Company shall permit;
 - if requested by the Company, the Optionholder shall join a shareholders' agreement in effect between the Company and/or its shareholders, an option programme established by the Company, a set of undertakings (including an undertaking agreeing to a drag-along right of the majority shareholders, founders, investors or other group of shareholders of the Company (jointly the "dragging shareholders"), whereby the Optionholder assumes an obligation to transfer its Shares together with the dragging shareholders to the proposed acquirer on similar terms and at same price as the dragging shareholders) or other similar document, as determined by the Company, by signing a deed of adherence, undertaking or similar document in the form acceptable to the Company;
 - the Optionholder shall enter into an escrow agreement or other document in connection with any arrangement necessary for the Exit if and as required under Section 2.9.2, or shall issue a power of attorney to the Company for representing the Optionholder in all issues related to the Exit;
 - if requested by the Company, the Optionholder shall issue irrevocable power of attorney in favour of the Company to represent the Optionholder and vote on behalf of the Optionholder at the shareholders meetings and in case of adoption of the shareholders resolutions without convening the meeting. For avoidance of doubt the Company shall have such right also any time after issuing the Shares to the Optionholder; and
 - the Optionholder shall take such other actions that the Company may reasonably request for the acquisition of relevant Shares, e.g. submit relevant instruction to the Optionholder's securities account operator, if required.

2.8.4 An Option is considered validly exercised only if all actions specified in Section 2.8.3 have been duly taken. The Company shall provide the Optionholder, at the Optionholder's request, relevant information necessary to take such actions.

2.9 **Issue or transfer of Shares**

2.9.1 The Company shall take actions to issue or transfer the Shares in respect of which the Option has been validly exercised to the Optionholder within 30 days following the effective date of exercise of the Option.

2.9.2 If the Option is exercised in connection with an Exit in the form of a Share Sale or a Liquidation, the Company shall take actions to ensure that the Shares in respect of which the Option has been validly exercised will be transferred or issued to the Optionholder immediately before the completion of the Exit or Liquidation or, at its discretion, make such other arrangements that would put the Optionholder in the position the Optionholder would have been, had the Optionholder been the registered owner of the relevant Shares immediately before the completion of Exit or Liquidation.

2.9.3 The Option holder agrees that at the Company's sole discretion, the Shares underlying the Option can be issued as shares which do not grant its holder the right to vote.

2.9.4 The Optionholder shall become the owner of Shares when the Optionholder is registered as such owner in the Company's shareholders list (as maintained in the Estonian Register of Securities or otherwise), but not before the rights from relevant Shares are deemed to arise under applicable laws. Until such time, the Optionholder has no right to vote or receive dividends or any other rights in connection with the Share, notwithstanding the exercise of the Option.

2.9.5 After the Optionholder has become owner of any Shares, the Optionholder agrees to keep up to date with and adhere to the articles of association of the Company in force from time to time.

2.10 **Tax matters**

2.10.1 If in relation to the exercise of the Option or payment of compensation under Section 2.11.2 the Company or any Group Company becomes liable, or is in accordance with current practice believed to become liable, for any taxes, including, without limitation, personal or corporate income tax, social tax and other employment related taxes, (a) the Optionholder shall pay to the Company or the relevant Group Company a sum equal to such tax liability immediately upon the receipt of written notice that specifies the amount of such liability or (b) a sum equal to such tax liability shall be withheld from any payment made to the Optionholder under this Agreement.

2.11 **Call option**

2.11.1 If the "Outlined Terms" provide that the Company has the right to request the Optionholder (or, for the avoidance of doubt, the Optionholder's or her successors) to transfer all or part of the Optionholder's Shares acquired under the Option (the "Option Shares") back to the Company (the "Call Option") then:

- The date on which the Optionholder becomes a Bad Leaver or Good Leaver shall be the "Trigger Date".
- The Company may exercise the Call Option by sending a notice to the Optionholder (the "Option Notice") within 90 calendar days after the Trigger Date.
- If the Company exercises the Call Option, the Optionholder shall take all actions requested by the Company to transfer such Shares to the Company within a period which shall be (a) if the transfer is free of charge: 14 days after the receipt of the Option Notice or (b) if the transfer is at the fair value of Shares ("Fair Value"): 14 days after the determination of Fair Value under this Section 2.11.

- The Fair Value shall be determined in good faith by the Company. If the Optionholder does not agree with the Fair Value determined by the Company as set out above, the Optionholder must send a notice (a “Disagreement Notice”) to the Company within 7 days after the receipt of Company’s calculation of Fair Value. In such case, the Fair Value shall be determined by an independent expert appointed jointly by the Optionholder and the Company. In case the Parties fail to appoint such expert within 14 days after the Disagreement Notice, the expert will be appointed by the Management Board of the Estonian Private Equity and Venture Capital Association or the equivalent organization in Estonia or should the latter fail or not agree to appoint such expert within 14 days after the relevant request of the Company, then by the competent court. The Fair Value as determined by the aforementioned expert or competent court shall be final and binding to the Parties. The cost of the aforementioned expert shall be paid by the Parties in equal proportions.
- In determining the Fair Value, valuation assigned to the Company in connection with the Company’s most recent third-party equity financing may be used, if appropriate.
- The Company may assign its rights under the Call Option in whole or in part to any shareholders of the Company (other than the respective Optionholder who has the obligation to transfer the Shares). Such assignment does not require the consent of the Optionholder.

2.11.2 If the “Outlined Terms” provide that the Company has the right to request a Good Leaver to transfer the Optionholder’s Shares acquired under the Option back to the Company, but the Optionholder becomes a Good Leaver before exercising the Optionholder’s Option and, accordingly, has not acquired any Shares, the Company has a right to cancel such Option, against payment by the Company of a fair compensation for such Option. The fair compensation shall be equal to the Fair Value of the vested Shares underlying such Option as determined in accordance with Section 2.11.1.

2.11.3 If the Optionholder (or the Optionholder’s successor(s)) breach the obligation to transfer all or part of the Option Shares under Section 2.11.1 back to the Company against the final and binding Fair Value of the Option Shares determined as provided in 2.11.1, (a) the Optionholder shall pay to the Company a contractual penalty in the amount of one per cent of the Fair Value (regardless of whether the transfer is free of charge or at the Fair Value) per each day the breach is continuing or (b) the Company has the right to cancel such Option Shares.

2.12 **Corporate events**

2.12.1 In the event of merger, division, reorganization or other corporate event affecting the Shares the Company may make at its discretion such adjustments to the number and type of securities underlying the Option as well as the Exercise Price as it in good faith considers appropriate in order to preserve (and to avoid enlargement or dilution of) the benefits or potential benefits intended to be made available to the Optionholder under this Agreement. Without prejudice to the above, in the event the Company merges with another company so that the Company will not be surviving company, the Company may at its sole discretion (i) replace the Option with the option to the shares of such surviving successor company; or (ii) decide that the Option is deemed fully or partly vested and may be exercised immediately prior to the completion of the merger.

2.12.2 In the event of a transaction whereby a company (the “New Company”) acquires all shares in the Company (the “Old Shares”) in consideration for the issuance of shares in the New Company (the “New Shares”) to the holders of Old Shares in proportion to their existing holdings (the “Flip”), the Company shall have the right to replace the Option to acquire the Shares (the “Old Option”) with a new option (the “New Option”) which is equivalent to the Old Option but relates to shares in the New Company so that the total amount payable by the Optionholder for the acquisition of shares under the New Option is equal to the total amount that would have been payable by the Optionholder for the acquisition of Shares under the Old Option.

2.12.3 The Company shall notify the Optionholder of any adjustment or replacement made under this Section 2.12 as soon as reasonably possible.

2.13 **Termination of Option**

2.13.1 In each case this Agreement sets out an Exercise Period applicable for the exercise of the Option in certain circumstances, the Option, to the extent not exercised during such Exercise Period, shall terminate.

2.13.2 In any case the Option (to the extent not terminated earlier) shall terminate on the 10th anniversary of the Grant Date.

2.14 **No effect on employment or service**

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

2.15 **Amendment**

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

2.16 **Conflicts between the terms**

2.16.1 If there is a conflict between the Detailed Terms and the Outlined Terms, the Outlined Terms shall prevail.

2.17 **Data processing notice**

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

2.18 **Notices**

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

2.19 **Governing law and jurisdiction**

2.19.1 The document shall be governed by [*], without giving effect to any conflicts of law principles that might refer the governance, construction or interpretation of this document to the laws of another jurisdiction.

2.19.2 Any disputes arising from or related to the document that cannot be resolved by means of negotiations by the Parties, shall be resolved in [*].

PARTIES' SIGNATURES:

COMPANY:

[*]

[*]

OPTIONHOLDER:

[*]

/signed digitally/

/signed digitally/

Appendix 1 – Form of Option Exercise Notice

To: [*] (the “Company”)

Optionholder’s name and personal ID code: [*] [*]
Optionholder’s address: [*]
Grant Date: [*]
Date of this notice: _____
Number of Shares in respect of which the Option is exercised: [*]
Total Exercise Price payable: EUR [*]

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

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

Signature of the Optionholder