

[COMPANY]

**SUMMARY OF TERMS FOR
SALE OF SERIES SEED SHARES
("SUMMARY OF TERMS")**

Company	<p>[Company's name] S.A., with its registered seat in [City], at [Address], [Post code], [City], Poland, entered into the Register of Entrepreneurs of the National Court Register maintained by the District Court [City], [Number] Commercial Division of the National Court Register, under KRS No. [●], with a paid-up share capital of PLN [●], the NIP No. [●], and the REGON No. [●] (the "Company"), represented by [●].</p>
Founders	<p>[Founder 1], [Founder 2], & [Founder 3] (the "Founders")</p>
Investors	<p>[Lead Investor] (the "Lead Investor") in conjunction with other investors [Additional Investors] (the "Investors") mutually agreeable to the Lead Investor and the Company.</p>
Structure of Financing	<p>The financing will be up to an aggregate of [●] PLN at a fully diluted pre-money valuation of [●] PLN, including an unallocated employee share option plan ("ESOP") of [●]%. The Lead Investor will invest up to [●] PLN and would hold no less than [●]% in the share capital of the Company on a fully diluted basis.</p>
Conditions to Close	<p>(i) satisfactory completion of confirmatory due diligence and anti-money laundering checks (ii) all employees of the Company having entered into employment agreement, mandate agreement, service agreement or other of similar character, containing IP assignment provisions and (iii) receipt of all necessary consents, (iv) adoption by the Shareholders Meeting relevant resolutions on amendment of the Company's articles of association pursuant to this Summary of Terms, in particular to the preference Seed Shares.</p>
Estimated Closing Date	<p>[Closing Date].</p>
Type of Security	<p>Newly issued series seed preferred seed shares, convertible into ordinary shares ("Seed Shares"), which shall rank senior to all other shares of the Company in all respects, in particular in respect to the voting rights, the right to dividend or participation in the distribution of assets in the event of the Company's liquidation [and be provided with the same rights as the next series of preferred stock (with the exception of anti-dilution rights).]</p>
Liquidation Preference	<p>The Company's articles of association shall stipulate that upon a liquidation the holders of the Seed Shares shall receive proceeds from liquidation before other shareholders in the amount equal to the original purchase price for the Seed Shares.</p>
Change of Control	<p>Upon merger, acquisition of the Company or sale, lease, tenancy, granting exclusive license or other disposal of substantially all of the assets of the Company or a majority of the shares of the Company (a "Change of Control") the holders of the Seed Shares shall have a pro rata right, but not an obligation, based on their ownership of the issued capital of the Company, to receive from the Company in the form of payment for redemption of shares (and from the Founders in relation to the amount that has not been satisfied by the Company) the higher of: (a) one times the original purchase price for the Seed Shares; or (b) the amount they would receive if all shareholders received their pro rata share of the Company's assets or proceeds.</p>
[Anti-Dilution Provisions]	<p>[In the event that the Company issues additional shares or other securities convertible into shares, at a purchase price less than the current Series Seed Preferred conversion price, such conversion price shall be adjusted on a [●] basis.</p> <p>The following issuances of shares or other securities convertible into shares shall not trigger an anti-dilution adjustment: (i) securities issuable upon conversion of any of the Series Seed Preferred, or as a dividend or</p>

distribution on the Series Seed Preferred; (ii) securities issued upon the conversion of any debenture, warrant, option, or other convertible security; or (iii) shares issuable upon stock dividend or stock split; and (iv) shares (or options to purchase such shares of Common Stock) issued or issuable to employees or directors of, or consultants to, the Company pursuant to any plan approved by the Company's Supervisory Board acting on the basis of relevant resolution of the General Meeting of Shareholders.]

Important Decisions

Company's articles of association may stipulate that certain important decisions and actions of the Company shall require consents of the relevant governing body of the Company (i.e. Supervisory Board or General Meeting of Shareholders). Additionally, Seed Shares may be privileged as to the voting right or particular shareholders (for instance Investors) may be granted some personal rights, in particular some of the rights indicated below:

Option 1: [the consent of the holders of a majority of the Seed Shares (a "**Seed Majority**"), to include amongst others, actions to: (i) alter the rights, preferences or privileges of the Seed Shares (ii) allot any new shares beyond those anticipated by this investment (iii) create any new class or series of shares having rights, preferences or privileges senior to or on a parity with the Seed Shares (iv) increase the number of shares reserved for issuance to employees and consultants, whether under the ESOP or otherwise (v) redeem of any shares (vi) selling of preferred (registered) shares (vii) pay or declare dividends or distributions to shareholders (viii) change the number of board members (ix) take any action which results in a Change of Control (x) amend the constitutional documents (xi) effect any material change to the nature of the business or the agreed business plan (xii) subscribe or otherwise acquire, or dispose of any shares in the capital of any other company.]

Option 2: [the consent of the holders of a majority of the Seed Shares held by the Investors (an "**Investor Majority**") shall be required for the important decisions, substantially in the form listed in Appendix [●]

Option 3: [The Company's articles of association shall also stipulate that the Leading Investor and Investors shall have the right to appoint the president of the Company's Management Board, who in the event of a deadlock shall have the casting vote].

Conversion

Company's articles of association shall stipulate that each holder of Seed Shares shall have the right to convert its shares into ordinary shares of the Company ("**Ordinary Shares**") at an initial conversion rate of 1:1, subject to proportional adjustment for share splits, dividends or recapitalizations [and any anti-dilution adjustments]. The Seed Shares shall be converted into Ordinary Shares upon the closing of a firmly underwritten public offering of shares of the Company.

Pre-emption

All shareholders will have a pro rata right, but not an obligation, based on their ownership of issued capital of the Company, to participate in subsequent issuances of the Company's shares. Any shares not subscribed for may be reallocated among the other shareholders. The Investors may assign this right to another member of their fund group.

Right of First Refusal and Co-Sale

The holders of the Seed Shares shall have a pro rata right, but not an obligation, based on their ownership of the issued capital of the Company, to participate on identical terms in transfers of any shares of the Company, and a right of first refusal on such transfers (subject to customary permitted transfers, including transfers by Investors to another member of their fund group). Any shares not subscribed for by the holders of Seed Shares would then be offered to the holders of Ordinary Shares. Moreover, the Company's articles of association shall not require the Company's consent, restrict or limit in other manner the transfer of Seed Shares.

[Equalization of Financial Terms]

Option 1: [Delete clause completely]

Option 2: [In case the offer for a proposed acquisition of all or of part of the shares of the Company, which includes, in addition to the purchase price offered for such shares, additional consideration or advantages offered to one or several shareholders or employees (including without limitation, any additional cash payments, securities or other assets, retention bonuses, salaries above market standards, and so forth), even if made conditional upon the occurrence of certain future events or with deferred payments terms, the total value of such additional consideration or advantages shall be added to the offered purchase price, and shall be deemed to form part of, without any discount of any kind, the aggregate purchase price offered for the relevant shares of the Company (the “**Aggregate Purchase Price**”).

The Aggregate Purchase Price shall then be allocated between all the shareholders selling their shares in the proposed acquisition, proportionally to their respective shareholdings in the Company on the date of the purchase.

This rule shall apply independently of the reasons, motivations or consideration for which the relevant additional consideration or advantages may have been granted.]

Drag Along

In the event that a Seed Majority and the holders of a majority of the Ordinary Shares wish to accept an offer to sell all of their shares to a third party, or enter into a Change of Control event of the Company, then subject to the approval of the Management Board, all other shareholders shall be required to sell their shares or to consent to the transaction on the same terms and conditions, subject to the preferences of the Seed Shares with respect to participation in the distribution of assets in the event of the Company’s liquidation. In consequence, Founders and Investors are obliged to conclude an agreement restricting disposal of the Company’s shares for the period no longer than 5 years from the date of conclusion of such agreement. After this period lapses Founders and Investors may conclude new agreement of similar effect for another period of 5 years.

Restrictive Covenants and Founders Undertakings

Each Founder will enter into a non-competition and non-solicitation agreement, and an employment agreement in a form reasonably acceptable to the Investors, and shall agree to devote their entire business time and attention to the Company and to not undertake additional activities without the consent of the Investors. A breach of any of the foregoing restrictive covenants or undertakings by a Founder caused by such Founder shall result in immediate undertakings aimed at recovery of the damage.

Founders’ Shares

Option 1: [The Company shall issue to the Founders registered founder's certificates as remuneration for the services rendered upon the incorporation and development of the Company. The Company’s articles of association shall stipulate the period for which the registered founder's certificates are issued, as well as the scope of participation in the Company’s profit to which the Founders registered founder's certificates entitle.]

Option 2: [The Company shall establish a stock option plan dedicated to the Founders [and Members of the Management Board/key personnel of the Company], pursuant to which the Founders [and other entitled persons] shall be entitled for subscription of ordinary shares in the amount not exceeding [●]% of shares in the share capital of the Company. Shares acquired due to allotment of shares within the stock option plan shall not be transferred to any third party within [●] years from the allotment date. Further details of the stock option plan, including the valuation of the option price, shall be established by the Supervisory Board of the Company, acting on the basis of relevant resolution of the General Meeting of Shareholders.

Management Board

[The Management Board of the Company (the “**Management Board**”) shall consist of a maximum of three members: the holders of Ordinary Shares may appoint two members and the holders of Seed Shares may appoint one member.]

	The Lead Investor may appoint an observer who would participate in Management Board meetings without the right to vote.
[Supervisory Board	The Supervisory Board of the Company (the “ Supervisory Board ”) shall consist of a maximum of three members: the holders of Seed Shares may appoint two members and the holders of Ordinary Shares may appoint one member.]
Information and Management Rights	The Supervisory Board shall receive [weekly/monthly/quarterly] reporting and monthly financial information [and a management rights letter to satisfy its venture capital operating company requirements.]
Documentation and Warranties	Definitive agreements and the draft of amendments to the Company’s articles of association shall be drafted by counsel to the Lead Investor and shall include customary covenants, representations and warranties of the Company (which shall be liable up to a maximum of the investment amount) reflecting the provisions set forth herein and other provisions typical to venture capital transactions. The Founders will also complete a relevant personal questionnaire.
Expenses	<p><i>Option 1:</i> [The Company shall pay to the Lead Investor’s fees and expenses in the transaction at Closing, which shall not to exceed [PLN XX,000].]</p> <p><i>Option 2:</i> [Each party shall pay their own legal and other fees and expenses in the planned transaction. If the financing does not complete within 60 days from [●] or because the Company withdraws from negotiations (except as a result of the Lead Investor making a material change in the terms), the Company shall bear the Lead Investor’s legal costs incurred to that date.]</p>
Exclusivity	In consideration of the Lead Investor committing time and expense to put in place this planned financing, the Company and Founders agree not to discuss, negotiate or accept any proposals regarding the sale or other disposition of debt or equity securities, or a sale of material assets of the Company for 60 days from the date of the Company’s signature below.
Confidentiality	The Company and Founders agree to treat this Summary of Terms confidentially and will not distribute or disclose its existence or contents outside the Company without the consent of the Lead Investor, except as required to its shareholders and professional advisors of the Company and Investors.
Non-binding Effect	This Summary of Terms is not intended to be legally binding, with the exception of this paragraph and the paragraphs entitled Expenses, Exclusivity and Confidentiality, which are binding upon the parties hereto and shall be governed and construed in accordance with the laws of Poland.

Acknowledged and agreed:

[LEAD INVESTOR]

By: _____

Print Name: _____

Title: _____

Date: _____

[ADDITIONAL INVESTOR]

By: _____

Print Name: _____

Title: _____

Date: _____

[COMPANY NAME]**[FOUNDER 1]**

By: _____

Print Name: _____

Title: _____

Date: _____

[FOUNDER 2]

By: _____

Print Name: _____

Date: _____

[FOUNDER 3]

By: _____

Print Name: _____

Date: _____

APPENDIX A**CAPITALISATION TABLE**

Shareholder	Class of Shares	No. of Shares.	Ownership (%)
[FOUNDER 1]	[Ordinary Shares]	•	•%
[FOUNDER 2]	[Ordinary Shares]	•	•%
[FOUNDER 3]	[Ordinary Shares]	•	•%
Lead Investor	[Seed Shares]	•	•%
Additional Investor	[Seed Shares]	•	•%
Option Pool	[Ordinary Shares]		
Total		•	100%