

INVESTMENT AGREEMENT

1. PARTIES

This Investment Agreement (this “**Agreement**”) is made and entered into on [add date] (“Effective Date”) by and among the following parties:

- (a) [NAME OF FOUNDER] [PERSONAL / BUSINESS ID]; Address [ADRESS];
- (b) [NAME OF FOUNDER] [PERSONAL / BUSINESS ID]; Address [ADRESS];
- (c) [NAME OF INVESTOR] [PERSONAL / BUSINESS ID]; Address [ADRESS];
- (d) [NAME OF INVESTOR] [PERSONAL / BUSINESS ID]; Address [ADRESS]; and
- (e) [NAME OF THE COMPANY] [BUSINESS ID]; Address [ADRESS] (“Company”).

The Parties (a) – ([b]) are hereinafter referred to collectively as the “**Founders**” and each separately as a “**Founder**”. The Parties ([c]) – ([d]) are hereinafter referred to collectively as the “**Investors**” and each separately as an “**Investor**”. The Parties (a) – ([f]) are hereinafter referred to collectively as the “**Parties**” and each separately as a “**Party**”.

2. BACKGROUND

The Company was incorporated [add date] and is in the business of [add business description]. The Company’s Articles of Association is attached hereto as **Schedule 1**.

This Agreement contemplates a seed investment in the Company, by which the Investors are willing to make an investment in the Company and the Company and the Founders are willing to accept such investment and issue Series A Shares to the Investors at Closing (as defined below) on certain conditions being satisfied and on the terms and conditions set forth herein.

3. INVESTMENT

3.1 Investment

The Investors shall make the investment in one (1) tranche. The Investment consists of [add] Series A Shares issued to the Investors for a maximum aggregate subscription price of EUR [add] (“**Investment**”). The subscription price of each Series A Share shall be [add]. The investment and the issued Series A Shares shall be divided as set out below:

Investor	Investment in euro	Shares
[add investor]	[add]	[add]
[add investor]	[add]	[add]

The fully diluted shareholding of the Founders and the Investors in the Company after the Investment is set out in **Schedule 2**.

The Founders shall vote at an Extraordinary Shareholders’ Meeting or pass a Unanimous Shareholders’ Decision for an issuance of a maximum aggregate number of [add] Series A Shares to the Investors on the closing date of the Investment. The share issue terms and other resolutions including *inter alia* election of new board member shall be as attached hereto as **Schedule 3**. The subscription price for the issued Series A Shares shall be paid to the Company within five (5) days of the Effective Date, at the latest.

The Company shall not issue any share certificates or interim certificates on the subscribed Series A Shares.

3.2 Deliveries at the Closing

Subject to the actions being carried out in this Section 3.2., the closing of the Investment shall take place on Effective Date (“**Closing**”). At Closing following actions shall take place simultaneously:

1. the Parties shall sign this Agreement;
2. the Founders shall decide on the Investment as set out in Section 3.1 and in Schedule 3;
3. the Parties shall sign the shareholders’ agreement (the “**Shareholders’ Agreement**”); and
4. the Investors shall subscribe Series A Shares issued in accordance with Section 3.1.

3.3 Undertaking after Closing

The Founders shall cause the Company to file the Investment with the Finnish Trade Register without delay.

4. REPRESENTATIONS AND WARRANTIES

The Founders and the Company hereby represent and warrant to each Investor that, except as set forth on the disclosure letter attached as **Schedule 4** to this Agreement (the “**Disclosure Letter**”), which exceptions shall be deemed to be part of the representations and warranties made under Section 4, the following representations are true, not-misleading and correct as of the Effective Date, except as otherwise indicated. All the agreements, registered intellectual property rights and the patent applications of the Company are listed in the Disclosure Letter.

The Investors are entering into this Agreement in reliance upon each of the representations and warranties under Section 4 being true, correct and not misleading on the Effective Date. The Company and the Founders undertake to indemnify and compensate the Investors severally but not jointly for any damage the Investors may suffer should any of the representations and warranties turn out to be untrue, incorrect or misleading on the Effective Date. The Company’s liability shall not exceed EUR [add] and each of the Founders’ liability shall not exceed [add]. The above limitation of liability shall not apply to intentional or grossly negligent breaches of the representations and warranties. Any claim for a breach of the representations and warranties given under Section 4 shall be made within eighteen (18) months of the Effective Date.

The Founders’ and Company’s representations and warranties under Section 4 are the sole and exclusive representations and warranties and no Party may rely on any other representation, warranties or guarantees whatsoever, whether implied or arising out of the applicable legislation, unless expressly set out in this Section 4. This entails that the Company and/or the Founders’ may not rely on any representations or warranties whatsoever given by the Investors.

Based on the above, the Founders and the Company hereby represent and warrant to the Investors as follows:

(a) Organization, Good Standing and Authorization

The Company is a company duly organized, validly existing and in good standing under the laws of Finland. No decision regarding Company’s bankruptcy, restructuring, winding up or liquidation has been passed and no such application relating to the Company is pending and to the knowledge of the Founders and the Company is threatening.

Each of the Founders and the Company has the power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated herein. This Agreement has been duly executed and delivered by each of the Founders and the Company and constitutes legal, valid and binding obligations enforceable against each of the Founders and the Company in accordance with its respective terms

The Founders or the Company are not in any way restricted by any articles of association, charter, constitutional document, any law, statute or order or by any other agreement to which any of them is a party, from entering into this Agreement.

(b) Capitalization

All the shares of the Company are fully paid up. No share certificates or interim certificates for the shares or any other securities in the Company have been issued.

There are no outstanding obligations, warrants, options, special rights, subscriptions, right of first refusal, pre-emptive rights, contracts or agreements to which the Company or the Founders are bound providing for the issuance of any additional shares or encumbrance whatsoever or any other rights to the shares in the Company. There are no declared but unpaid dividends by the Company.

(c) Contingent Liabilities

The Investors have been presented with a true and fair view of the financial condition, the assets and liabilities (including provisions for all warranty claims and for bad and doubtful debts) of the Company. There are no liabilities (whether actual or contingent and whether on- or off balance sheet) of the Company, which relate to any fact, occurrence or event before the Effective Date [other than liabilities disclosed or provided for in the audited annual accounts of the Company, none of which will be material].

(d) Nature of Disclosure

There is no material fact, occurrence or circumstance relating to the affairs or business of the Company, which has not been disclosed to the Investors. The Company and the Founders have provided the Investors true, complete and accurate information regarding the Company they deemed necessary for the Investors to make decisions on the Investment.

(e) Intellectual Property Rights

The intellectual property rights of the Company comprise all such rights necessary to permit the operation of the business of the Company as now being conducted. The Company holds exclusive title and all the transferable rights (including rights to transfer, assign, modify and further develop such rights and create derivative works thereof) to the works performed by its employees and/or created by its subcontractors. The Company has no further financial obligation to such employees or subcontractors arising out of or in connection with such works or services performed for the Company.

The intellectual property rights and the conduct of the business and activities of the Company in the extent and in the manner it is, was, or is contemplated to be conducted did not, do not and will not, before or after the closing of the Investment, (i) infringe or misappropriate the rights to intellectual property rights of any third party, (ii) violate the rights of any third party (including rights to privacy or publicity), or (iii) constitute unfair competition or trade practices under the laws of any jurisdiction, and the Company has not received notice from, including, but not limited to, any third party claiming or alleging any such infringement, misappropriation, or violation and there are no valid grounds for any bona fide claims by, including, but not limited to, third party alleging such infringement, misappropriation or violation. The Company has not in its possession any formal report or opinion indicating that, including, but not limited to, any third party infringing or misappropriating the intellectual property rights of the Company.

The business of the Company or products delivered or services rendered by the Company do not violate or infringe any open source licenses or free software licenses.

The rights, interest and title in and to all the domain names used in the business of the Company shall vest exclusively on the Company.

All software and computer equipment used, possessed, owned, leased, or hired by the Company has the necessary and required software license. Such software licenses are valid, enforceable and binding on the Company and the Company in compliance with all the terms and conditions of such license. No amount is outstanding or due and payable on any license on the Effective Date. No software or computer equipment used, possessed, owned, leased or hired by the Company is unauthorized or not licensed.

(f) Contracts

All transactions of the Company are on an arms' length basis on commercial terms and bona fide for the operations of the Company.

All agreements to which any of the Company is a party, written and/or oral, are in full force and effect with their respective terms and neither the Company nor, to the knowledge of the Founders and the Company, any of the counter parties is in material default thereunder. No event, occurrence, condition or act has occurred which, whether with or without notice, lapse of time or both, would constitute a default or event of default by the Company or, based on the knowledge of the Founders and the Company, any of the counter parties with respect to any such term or provision of any such agreement. No notice of termination or of the intention to terminate has been received or given in respect of any agreements and, to the knowledge of the Founders and the Company, there are no grounds for prematurely terminating, rescinding, rendering void or adjusting any of such agreements.

The Company is not, and will not be due to the Investment, in breach or in default of any loan agreement including any financing agreement with any governmental financing agencies (such as Tekes or Finnvera).

(g) Compliance with Law

The Company has in all material respects at all times been and is in compliance with all laws and regulations applicable to it, in particular personal data laws. No notices or claims have been received by the Company or, based on the knowledge of the Founders and the Company threatened, asserting the Company's violation of, liability for or potential responsibility under any applicable law, regulations or any authorizations, approvals, consents, permits or licenses.

(h) Employment Matters

The Company has at all times complied and will comply with all employment agreements (including with respect of terminations thereof), any and all applicable laws, regulations, policies and collective bargaining agreements with respect to their employees, data protection and safety and healthy matters. The Company has not received notice, which notice remains current, of any claim that they have not complied with any employment, labor, data protection, safety and health regulations or related laws, regulations, policies or collective bargaining agreements.

(i) Litigations

There are no pending or, to the knowledge of the Founders' or the Company, threatening claims, dispute, litigation other proceeding involving any of the Company.

There is no action, suit, investigation or proceeding before any court or by or before any governmental body or arbitration tribunal pending against the Company or, to the knowledge of the Founders' or the Company's knowledge, any proceedings threatened against the Company.

(j) Taxes

The Company has: (i) filed all necessary tax returns by their required deadlines; (ii) paid or accrued all taxes shown to be due on such returns; and (iii) paid or accrued all taxes for which a notice of assessment or collection has been received and there are no pending tax audits of the Company and no tax authority has asserted any claim for taxes based on a tax audit.

The Company has paid or withheld, collected and paid over to the appropriate authorities, or is properly holding for payment all taxes required by law to be paid, withheld or collected.

5. MISCELLANEOUS**5.1 Amendment; Waiver**

Any changes to this Agreement may be made only in writing and signed by the duly authorized representatives of the Parties, save for adherence of new Shareholder in accordance with Section 9.3. Any other amendments shall be void.

Failure by any Party at any time or times to require performance of any provision of this Agreement shall in no manner affect its right to enforce the same, and the waiver by any Party of any breach of any provision of this Agreement shall not be construed to be a waiver by such Party of any succeeding breaches of such provision, or waiver by such party of any breach of any other provision hereof.

5.2 Notices

All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt of:

- (a) personal delivery to the party to be notified,
- (b) when sent, if sent by facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day,
- (c) five (5) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or
- (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt.

All communications shall be sent to the respective parties at their address as set forth in Section 1 of this Agreement or to such address or facsimile number as subsequently notified by a respective Party by a written notice and such notice shall be deemed given when received by the other Parties in accordance with this Section 5.2.

5.3 Entire Agreement

This Agreement and the documents referred to herein, together with all the Schedules hereto, constitute the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement, and supersede any and all prior understandings and agreements, whether oral or written, between or among the parties hereto with respect to the specific subject matter hereof.

The Parties agree that in case of conflict between this Agreement and the Articles of Association or this Agreement and Finnish Companies Act (save for any statutory stipulations), this Agreement shall prevail.

5.4 Severability

If any provision of this Agreement shall be found by any court of competent jurisdiction to be invalid or unenforceable, the Parties hereby waive such provision to the extent that it is found to be invalid or unenforceable. Such provision shall, to the maximum extent allowable by law, be modified by such court so that it becomes enforceable as close to the original provision as possible, and, as modified, shall be enforced as any other provision hereof, all the other provisions hereof continuing in full force and effect.

5.5 Assignment

This Agreement shall be binding upon and inure to the benefit of the Parties and nothing in this Agreement, express or implied, shall constitute any rights or remedies to any third parties under this Agreement.

Any attempt without such permission to assign, transfer, delegate or sublicense any rights, duties or obligations that arise under this Agreement shall be void. Subject to the foregoing, and except as otherwise provided herein, this Agreement, and the rights and obligations of the Parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives.

5.6 Titles, Gender and Headings

The titles, gender captions and headings of this Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Agreement.

5.7 Attorneys' Fees

All the costs and expenses relating to the drafting of this Agreement, the Shareholders' Agreement and execution of transactions contemplated herein shall be borne by the Company. Each Shareholder shall bear his own advisor's fees, costs and expenses in full, save for the Company shall reimburse counsel to the Investors for fees incurred in connection with the Investment, which shall not exceed EUR [add].

5.8 Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws Finland, excluding any conflicts of law rules.

5.9 Arbitration

All controversies and disputes arising out of or in connection with this Agreement shall be settled amicably. All disputes which can not be settled amicably between the Parties shall be finally settled by arbitration in accordance with the Finnish Arbitration Act. The arbitral tribunal shall be composed of one arbitrator appointed by the Finnish Central Chamber of Commerce. The place of arbitration shall be Helsinki and the language of arbitration shall be English unless all parties to the dispute agree otherwise. Evidence may also be submitted in Finnish and witnesses heard in Finnish. The arbitrator shall render his/her decision within six (6) months from the appointment.

Any Party may, irrespective of any arbitral proceedings, apply to a court having jurisdiction for a temporary restraining order or preliminary injunction where such relief is necessary to protect his rights under this Agreement.

[SIGNATURE PAGE TO FOLLOW]

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement.

Name:

Title:

Name:

Title:

Name:

Title:

Name:

Title:

Name:

Title:

Name:

Title: