**DRAFT**

**CONVERTIBLE LOAN AGREEMENT

CZK/EUR[⚫]

Convertible Loan due [⚫] 202[⚫]

DATED [⚫]

between

COMPANY

and

INVESTOR

and

[FOUNDER 1]

and

[FOUNDER 2]**

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**THIS AGREEMENT** is made on [⚫] (the **Signing Date**)

**BETWEEN**:

1. [⚫] (the **Company**) as borrower;
2. [⚫] (**Founder 1**) as founder;
3. [⚫] (**Founder 2**) as founder; and

(Founder 1 and Founder 2 collectively referred to as the **Founders** and each of them individually as a **Founder**)

1. [⚫] (the **Investor**) as lender.

**WHEREAS**:

* 1. The Company is seeking financing for its business of [insert description] (the **Business**) and the Investor has agreed to provide [CZK/EUR ⚫] convertible loan (the **Loan**) to the Company.
	2. Subject to terms stipulated in this agreement, the Investor is interested in converting the Loan into the Company's shareholding (in Czech *podíl*) and in becoming its shareholder.

**IT IS AGREED** as follows:

1. Interpretation
	1. In addition to terms defined elsewhere in this agreement, capitalised terms used in this agreement have the following meaning:
2. **Affiliate** means in relation to a person or other entity (a) any person Controlling, Controlled by or under common Control with another person and (b) in relation to a natural person, close persons within the meaning of Section 22 of the Civil Code;
3. **Bank Account** means the bank account of the Company IBAN [⚫], with [insert name of the bank];
4. **BCA** means Czech act no. 90/2012 Coll., on commercial companies and cooperatives (business corporations act), as amended;
5. **Civil Code** means Czech act no. 89/2012 Coll., the civil code, as amended;
6. **Contribution** means a combination of:
	1. monetary contribution to the registered capital of the Company equal to the nominal value of the Conversion Share (in Czech *peněžitý vklad*) (**Registered Capital Contribution**); and
	2. monetary contribution outside of the registered capital of the Company (in Czech *příplatek*) determined as follows (**Non-Registered Capital Contribution**):

*Non-Registered Capital Contribution = Conversion Amount - Registered Capital Contribution*

in aggregate in the amount of the Conversion Amount;

1. **Control, Controlled, Controlling** mean the ability to exercise decisive influence on a corporation within the meaning set out in Section 74 of the BCA;
2. **Conversion** has the meaning as defined in clause 8.1;
3. **Conversion Amount** means the total outstanding amount of the Loan including the accrued Interest as of the date of providing the Contribution or becoming payable to the Investor (as applicable);
4. **Conversion Share** means the shareholding (in Czech *podíl*) in the Company which the Investor shall receive as a result of the Conversion, the size of which shall be determined as a portion of the Total Shares (i.e. on a fully diluted basis) calculated as follows:

*Conversion Share (in percentages) = Conversion Amount/Qualified Valuation or Valuation Floor (as applicable)x100;*

1. [**Disclosure Letter** means a letter attached hereto as [Schedule ⚫] listing certain facts, which may fully or partially contradict the Warranties;]
2. **Discount Rate** means [insert decimal number calculated as follows: [100 – (*agreed discount*)]/100, i.e. 20% agreed discount amounts to Discount Rate of 0.8];
3. **Encumbrance** means: (a) a security interest of any kind, including any pledge, mortgage, financial collateral arrangement, retention of title arrangement or security assignment; (b) any claim or right belonging to a third party, including, without limitation, any right of pre-emption, right of first refusal, option or requirement of consent; and (c) other encumbrance or restriction of any kind;
4. **Event of Default** means any of the events or circumstances set out in clause 9 below;
5. **Intellectual Property** means any works of authorship (including computer software, underlying code, manuals and any preparatory materials), trademarks, service marks, trade names, business names, logos, domain names, patents, utility models, semiconductor topographies, inventions, designs, rights to databases and any other intellectual property as may be recognised in any jurisdiction, whether registered or unregistered (together with applications for and the right to apply for any such rights), including any rights to such intellectual property as may be recognised in any jurisdiction;
6. **Interest Rate** is [⚫]% per annum;
7. **Liquidity Event** means:
	1. any resolution on voluntary dissolution of the Company with liquidation;
	2. any transaction, including transformation within the meaning of the Transformation Act, or series of transactions, resulting in a new Controlling person of the Company;
	3. transfer of the enterprise (in Czech *závod*) of the Company or any material part of it;
	4. any transaction pursuant to which all or substantially all of the assets of the Company are transferred or disposed beyond the ordinary course of business; or
	5. listing of shares of the Company directly or indirectly on a regulated market (IPO);
8. **material** or **substantial** shall mean having an effect which in the aggregate monetary equivalent corresponds in any individual case or series of related cases to at least [⚫%] of the principal amount of the Loan;
9. **Maturity Date** is [*insert date*];
10. **Qualified Financing** means any equity financing [round] in which (a) new investor(s) acquire(s) a shareholding (in Czech *podíl*) in the Company for their Qualified Investment amounting to at least EUR [⚫] (for the avoidance of doubt, excluding the amount of the Loan hereunder and other convertible debt raised by the Company)[, on a pre-money valuation of the Company amounting at least to [the Valuation Floor]];
11. **Qualified Investment** means the total proceeds provided or unconditionally committed (i.e. provision of such funds must not be subject to any additional conditions with the exception that such funds may be due on a determined date, however, no later than [⚫ days] after the Qualified Financing) to the Company by the new investor(s) within the Qualified Financing;
12. **Qualified Share** means the total shareholding (in Czech *podíl*) in the Company acquired by the new investor(s) within the Qualified Financing in the form of a decimal number (e.g. 10% being 0.1);
13. **Qualified Valuation** means the lower of:
	1. the Valuation Cap; or
	2. a post-money valuation of the Company upon the Qualified Financing applying the Discount Rate calculated as follows: *(Qualified Investment / Qualified Share)* \* *(Discount Rate)*;
14. **Sanction Interest Rate means** [⚫] percentage points above the Interest Rate;
15. **Total Shares** mean 100 % of all shareholdings (in Czech *podíly*) in the Company immediately after the Qualified Financing on a fully diluted basis, i.e. including all issued and outstanding shareholdings, any exercised options, and any shareholdings to be distributed to new investor(s), including any convertible loan holders, the Loan convertible hereunder and any shareholdings that shall be distributed to the new investor(s) within the Qualified Financing;
16. **Transformation Act** means Czech act no. 125/2008 Coll., on company and cooperative transformations, as amended;
17. **Valuation Cap** is EUR [⚫]; and
18. **Valuation Floor** is EUR [⚫].
19. Purpose

The Company undertakes to use the Loan solely for the purpose of developing the Business.

1. Provision of the Loan

The Investor shall transfer the principal amount of the Loan into the Bank Account within [10] days of the Signing Date.

1. Interest
	1. Interest shall accrue on the outstanding principal amount of the Loan at the Interest Rate (**Interest**). The Interest shall accrue daily and be calculated by reference to the actual number of days elapsed from the date of disbursement of the Loan by the Investor on the basis of a 365-day year.
	2. The Interest shall become payable at the same time as the principal amount of the Loan.
	3. In the event of Conversion of the Loan, any amounts of unpaid Interest shall be compounded at the end of the day immediately prior to the Conversion.
2. Qualified Financing
	1. If any Qualified Financing occurs before the Maturity Date or any Liquidity Event, then the Conversion Amount shall be converted concurrently with the completion of Qualified Financing into the Conversion Share at the valuation of the Company set as the Qualified Valuation in accordance with clause 8.
	2. The Company shall notify the Investor of the Qualified Financing at least [30 days] in advance.
3. Liquidity Event
	1. If any Liquidity Event occurs before any Qualified Financing or the Maturity Date, then the Investor may request that:
		1. the Conversion Amount shall be converted concurrently with the completion of the Liquidity Event into the Conversion Share at the valuation of the Company set as the Valuation Floor in accordance with clause 8; or
		2. the Conversion Amount shall become immediately payable by the Company to the Investor; or
		3. neither of the options above shall apply and the Loan shall continue as unaffected.
	2. As an exception to clause 6.1, if, as a result of the Liquidity Event, a third person acquires at least [a 90%] shareholding (in Czech *podíl*) in the Company or (an) asset(s) of the Company, in each case for the consideration in the amount of at least [⚫] multiple of the Valuation Cap, the Investor shall, in lieu of the options pursuant to clause 6.1, receive the amount equal to the value of the Conversion Share at the valuation of the Company set as the Valuation Floor which the Investor would have received if the conversion pursuant to clause 6.1(a) occurred and the Investor became a shareholder of the Company.
	3. The Company shall notify the Investor of the Liquidity Event at least [30 days] in advance. If the Investor fails to notify the Company on its election pursuant to clause 6.1 within [15 days] of receiving the notification, the Conversion Amount shall be converted concurrently with the completion of the Liquidity Event into the Conversion Share at the valuation of the Company set as the Valuation Floor in accordance with clause 8.
4. Maturity
	1. If the Maturity Date occurs before any Qualified Financing or any Liquidity Event, then the Investor may request that:
		1. the Conversion Amount shall be converted on the Maturity Date into the Conversion Share at the valuation of the Company set as the Valuation Floor in accordance with clause 8; or
		2. the Conversion Amount shall become immediately payable.
	2. If the Investor fails to notify the Company on its election before the Maturity Date, the Conversion Amount shall be converted on the Maturity Date into the Conversion Share at the valuation of the Company set as the Valuation Floor in accordance with clause 8.
5. Conversion Procedure
	1. If the conditions for converting the Conversion Amount into the Conversion Share are fulfilled and unless all parties expressly agree otherwise, upon the Qualified Financing, Liquidity Event or Maturity Date (as applicable), the parties shall, without undue delay, take the steps required for, and the Company and the Founders shall procure that any other shareholders of the Company at that time take steps required for, the conversion of the Conversion Amount into the Conversion Share, in the following manner (together the **Conversion**):
		1. the general meeting of the Company approves:
			1. that the registered capital increase in the Company is effected, including an increase by the Registered Capital Contribution provided by the Investor in exchange for the Conversion Share, and
			2. an agreement on set-off of the part of the receivable of the Investor vis-à-vis the Company for the repayment of the Conversion Amount against the receivable of the Company vis-à-vis the Investor for the payment of the Registered Capital Contribution;
		2. the Investor makes the declaration on the assumption of the contribution obligation to contribute the Registered Capital Contribution;
		3. the Investor and the Company enter into:
			1. an agreement on contribution outside the registered capital (in Czech *příplatek*) of the Company (effective as of the registered capital increase in accordance with the above becoming effective) in the amount of the Non-Registered Capital Contribution; and
			2. an agreement on set-off of the receivable of the Investor vis-à-vis the Company for the repayment of the Conversion Amount against the receivable of the Company vis-à-vis the Investor for the payment of the Registered Capital Contribution and Non-Registered Capital Contribution; and
		4. [the general meeting of the Company approves the amendment of the memorandum of association of the Company to reflect:
			1. the provision of the Registered Capital Contribution by the Investor; and
			2. the issuance or transfer of the Conversion Share to the Investor.]
	2. The Conversion Share acquired by the Investor upon Conversion shall be with the identical rights and preferences and with the same obligations as the most senior class of shareholding (in Czech *podíl*) (i) acquired in the Qualified Financing or (ii) in the Company if the Conversion is the result of occurrence of the Liquidity Event or Maturity Date (as applicable). However, for the avoidance of doubt, if the Investor’s Conversion Amount corresponding to 1% shareholding is less than the price paid for 1% shareholding (in Czech *podíl*) by the third parties in the Qualified Financing, the Company shall convert the Conversion Amount into the shareholding of the newly created class with identical rights and preferences and with the same obligations as the shareholding (in Czech *podíl*) of the most senior class issued in the Qualified Financing with the exception of:
		1. the amount of liquidation preference granted per 1% shareholding (in Czech *podíl*), and
		2. the starting price of the 1% shareholding (in Czech *podíl*) for the price-based anti-dilution protection,

both of which shall equal the conversion price per 1% of the Conversion Share.

* 1. Each party is obliged to take all such actions and provide such assistance and cooperation as may be necessary in order to give effect to the transactions and other actions comprising the Conversion.
	2. If the Conversion is not completed within [20] days following the Qualified Financing, Liquidity Event or Maturity Date (as applicable) due to the Company or any Founder failing to take respective actions set forth in this agreement (the **Defaulting Party**), the Investor shall notify the Defaulting Party and request a remedy within an additional [10] days. If such failure is not remedied by that time, the Defaulting Party must immediately pay a contractual penalty to the Investor in the amount of [*insert amount*]. The Defaulting Party hereby agrees that the amount of the contractual penalty is reasonable with respect to the value of the consideration rendered under this agreement, and the circumstances under which the agreement was entered into.
	3. If the Conversion is not completed within [20] days following the Qualified Financing, Liquidity Event or Maturity Date (as applicable) solely due to the Investor failing to take respective actions set forth in this agreement, the Company shall notify the Investor and request a remedy within an additional [10] days. If such failure is not remedied by that time, the Investor hereby forfeits its right to convert the Conversion Amount into the Conversion Share and the Company shall repay the Investor the Conversion Amount decreased by [⚫%] of the Conversion Amount as a contractual penalty for the Investor's failure to take respective actions set forth in this agreement.
	4. The right of the Investor or the Company to claim a contractual penalty (or discount applied in accordance with clause 8.5) under this clause 8 shall not prejudice the Investor or the Company from claiming any damage resulting from the relevant breach in excess of the amount of contractual penalty paid (or discount applied in accordance with clause 8.5).
	5. The Company shall bear all of its costs associated with the Conversion.
1. Events of Default
	1. Each of the events or circumstances set out in this clause 9.1 is an Event of Default:
		1. an insolvency petition (in Czech *insolvenční návrh*), a bankruptcy petition (in Czech *návrh na prohlášení konkursu*) or restructuring petition (in Czech *návrh na povolení reorganizace*) has been presented or filed by the Company, shareholders of the Company or a third party (unless the Company or the Founders prove, in a manner acceptable to the Investor, that such petition is frivolous or vexatious);
		2. the Company is unable or admits inability to pay its debts as they fall due;
		3. a moratorium is declared in respect of any indebtedness of the Company;
		4. the Company suspends or ceases to carry on the Business;
		5. a petition for dissolution of the Company has been filed with the relevant court by the Company, the shareholders or a third party;
		6. use of the received amount of the Loan or any part thereof for other than the agreed purpose;
		7. a material breach of the Company or any Founder of [any of their obligations under this agreement] OR [any of their obligations in relation to Conversion or repayment of the Conversion Amount], which (if capable of remedy) is not remedied within [10] days following the sooner of the following: (i) the Investor notifying the Company or the relevant Founder of the occurrence of such breach; or (ii) the Company or the Founder otherwise ascertaining the occurrence of such breach; and/or
		8. any warranty made by the Company [or any Founder] in this agreement proves to be false or incorrect in any material respect and if the said breach (if capable of remedy) is not remedied within [20] days of the Investor notifying the Company [or the Founder] of the occurrence of such breach.
	2. At any time when an Event of Default has occurred and is continuing, the Investor may, by delivery of a written notice to the Company, declare the Conversion Amount [plus Sanction Interest Rate] immediately payable.
2. No Prepayment

The Loan and/or the accrued interests shall not be prepaid to the Investor, in whole or in part, without the prior written consent of the Investor.

1. Investor's Additional Rights

*Information rights*

* 1. [The Company shall deliver to the Investor the same reports, updates and other documents that it delivers to any of its shareholders at the same time with their delivery to any such shareholders.] OR [The Company shall deliver to each Investor: (a) monthly reports about financials, KPIs and other metrics in the format approved by the Investor, within 15 days of the end of each month; (b) annual financial statements - within three months of the end of each financial year or within six months of the end of each financial year in case of audited financial statements, and (c) information on events and circumstances that may have a material adverse effect on the Business specifying actions taken or proposed by the Company - as soon as possible.]
	2. In addition to the above, the Company shall, upon the reasonable request of the Investor, allow the Investor and its professional advisors to examine its documents and to discuss the Company's business, finances, corporate affairs and future plans with its management, all at such reasonable times as may be requested by the Investor.

*[Participation rights]*

* 1. [*Description of participation rights – to be negotiated*]

*[Most Favoured Nation]*

* 1. [If the Company enters into any convertible loan agreement or issues any convertible notes, bonds or similar instruments (other than options to employees and service providers of the Company) at any time prior to the full conversion or repayment of the Conversion Amount, the Company shall provide the Investor with a written notice of such agreements or instruments no later than 5 days after the closing of the same, including the price and all terms of such agreements or instruments (the **Subsequent Instruments**). If the Investor determines that any Subsequent Instrument contains terms more favourable to the holder(s) thereof than the terms set forth in this agreement, the Investor may elect to have terms of this agreement replaced with the terms of the Subsequent Instrument in which case all parties shall take all actions to amend this agreement and include the respective terms.]

[*Other Investor rights*]

1. Representations and Warranties
	1. Each party hereby represents and warrants to the other parties that:
		1. such party (i) has full authority and (ii) has obtained all the approvals required to enter into and perform this agreement and its representative (if applicable) has all rights and approvals to enter into this agreement; and
		2. neither the entry into nor the performance of this agreement results in a violation of any provisions of:
			1. the memorandum of association of or any other similar document governing such party (if applicable);
			2. any legal acts to which such party is subject;
			3. any agreement or obligation binding on such party;
			4. any judgment, order, injunction, decree or ruling of any court or state, governmental or local authority to which such party is subject; and
			5. the terms and conditions of any licence or permit granted to such party; and
		3. no insolvency petition (in Czech *insolvenční návrh*), bankruptcy petition (in Czech *návrh na prohlášení konkursu*), corporate restructuring application (in Czech *návrh na povolení reorganizace*), liquidation application, execution application, or any other similar action under any applicable jurisdiction has been filed against such party; and
		4. such party is not subject to any insolvency, corporate restructuring or similar proceedings and such party has not received any notice regarding any intention to initiate any such proceedings.
	2. [The Company and the Founder (each a **Warrantor** and together the **Warrantors**) hereby represent and warrant to the Investor that the statements set forth in Schedule 1 (the **Warranties**) are true and correct in all respects as at the Signing Date or, in case of Warranties explicitly made as at a specific date, as at such specific date.]
2. Termination
	1. This agreement can be terminated only upon a written agreement between the parties or as expressly stipulated in this agreement.
	2. Neither party may unilaterally terminate this agreement unless expressly stipulated otherwise in this agreement.
	3. The Company may terminate this agreement effective upon delivering a termination notice to the Investor if the Investor fails to transfer the principal amount in accordance with clause 3.
	4. If an Event of Default occurred and is continuing before the Investor has transferred the principal amount of the Loan into the Bank Account, the Investor is not required to pay the principal amount of the Loan and may terminate this agreement effective upon delivering a termination notice to the Company.
	5. If the Conversion is not completed within an additional [10] days following receipt of the notification from the Investor by the Defaulting Party pursuant to clause 8.4 due to the Founders' or Company's default, then, the Investor shall have the right to terminate this agreement effective upon delivering a termination notice to the Company and the Company shall then repay the Conversion Amount [plus the Sanction Interest Rate] to the Investor.
3. Confidentiality
	1. The matters contemplated by this agreement shall be treated as confidential and should not be disclosed to any person except:
		1. with the prior written consent of the other party or parties (as applicable); or
		2. to the extent required to do so by law or by any court or regulatory or government authority (including any listing authority or stock exchange); or
		3. [to the extent required to do so as part of arranging the Qualified Financing].
4. Payments
	1. Unless otherwise agreed, any payments to be made under this agreement shall be made in [Euro] by transfer of the relevant amount to the relevant account on or before the date the payment is due. This is without prejudice to the early prepayment restriction agreed in clause 10.
	2. Save as otherwise specifically set out in this agreement, if a party defaults in making any payment of any sum payable under this agreement, it shall pay compensation on that sum from the day following the date on which that payment is due until (and including) the date of actual payment (after as well as before judgement) at the [⚫]% per annum.
5. Notices
	1. Any notice or other communication under this agreement must be made in English in writing and sent to the address, or e-mail address or data box specified in relation to each party below.
		1. to the Company at: [*address, marked for the attention* of ⚫], [e-*mail address*] and [*data box*];
		2. to Founder 1 at: [*address, marked for the attention of* *⚫*], [e-*mail address*] and [*data box*];
		3. to Founder 2 at: [*address, marked for the attention of* *⚫*], [e-*mail address*] and [*data box*]; and
		4. to the Investor at: [*address, marked for the attention of* *⚫],* [*e-mail address*] and [*data box*].
6. General
	1. No amendment to this agreement is valid unless made in the same form as the original agreement and signed by all parties.
	2. No party may assign or otherwise transfer its rights and/or obligations arising under this agreement without the prior written consent of the other parties. As an exception to this rule, the Investor is entitled to transfer all of its rights and obligations arising from this agreement at any time and without consent of the other parties to an Affiliate, or a fund, partnership or other investment vehicle that is part of the same group of funds, or is Controlled by any of the Investor's general partners, limited partners, members or shareholders.
	3. If any provision of this agreement is apparent (in Czech *zdánlivé*), invalid or unenforceable, the parties shall make their best efforts to replace such provision to achieve the effect closest to the original provision.
	4. Any provision of this agreement that sets out an obligation of a party to procure that another person will or will not act in a certain manner, sets out such party's obligation to ensure that the third person actually performs what has been agreed pursuant to Section 1769, second sentence, of the Civil Code.
	5. This agreement and any contractual or non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with Czech law.
	6. All disputes or claims arising out of or in connection with this agreement, including disputes relating to any non-contractual obligations, validity, breach, termination or nullity of this agreement, shall be exclusively decided by the Czech courts.
	7. The parties assume the risk of a change of circumstances within the meaning of Section 1765 of the Civil Code.
	8. This agreement and the respective schedules hereto constitute the entire agreement between the parties relating to the subject matter hereof and supersede any and all previous agreements between the parties relating to the subject matter hereof.
7. 1. Warranties
8. CORPORATE
	1. Corporate existence

The Company is duly organised and validly existing under the laws of the Czech Republic. No order has been made, no resolution has been passed, no petition has been submitted and no shareholders' meeting has been convened or other action taken to initiate any bankruptcy, composition, reorganisation, liquidation, dissolution, merger, division or transformation of the Company.

* 1. Public registers

The information regarding the Company available from the public registers at the Signing Date is accurate and nothing has occurred which would require any change or update in such information. There are no pending applications or filings of any kind with respect to the Company to any public register.

* 1. Insolvency

No insolvency petition (in Czech *insolvenční návrh*), bankruptcy petition (in Czech *návrh na prohlášení konkursu*) or restructuring petition (in Czech *návrh na povolení reorganizace*) has been presented or filed by the Company, shareholders of the Company or a third party. The Company is not unable or admits inability to pay its debts as they fall due. No moratorium is declared in respect of any indebtedness of the Company.

* 1. No Encumbrances

None of the shareholdings (in Czech *podíly*) held by the Warrantors are subject to any Encumbrances and, to the Warrantors' knowledge, none of the shareholdings held by any other shareholders of the Company are subject to any Encumbrances, except for, in each case, any Encumbrances arising from this agreement, the Company's memorandum of association or the shareholders' agreement (as applicable).

* 1. Complete and correct Financial Statements

The financial statements have been prepared in accordance with the applicable generally accepted accounting principles and are, in material respects, a complete and correct representation of the results of operation, the financial condition and the assets and liabilities of the Company for the relevant periods.

* 1. Compliance with grants

All information and documents submitted by the Company to any person, entity or institution in connection with any grants from any public funds, including any funds of the European Union, have been materially true, correct, and complete in all material respects.

* 1. No litigation

The Company is not involved in any litigation, prosecution, investigation, enquiry or arbitration and, to the Warrantors' knowledge, there are no grounds or circumstances likely to lead to any of the foregoing. There are no outstanding judgments, awards, orders or any other acts of any court of arbitral body against the Company.

* 1. No criminal offence

To the Warrantors' knowledge, none of the Founders has carried out or otherwise been involved in any activity in relation to the Company and its Business, whether in his/her capacity as a founder, a shareholder, a board member, an employee, or otherwise that constitutes a criminal offence committed by the relevant Founder or the Company.

1. INTELLECTUAL PROPERTY
	1. Ownership of Intellectual Property

The Company is the exclusive owner of its Intellectual Property. No third person has been granted any exclusive licence over the Company's Intellectual Property.

* 1. Protection and registration

The Company has taken all reasonable steps to protect its Intellectual Property.

* 1. No infringement

To the Warrantor's knowledge, the Company's current and past use of any Intellectual Property is not infringing the rights of any third party. To the Warrantors' knowledge, at the Signing Date, no third party is infringing the Company's rights to its Intellectual Property.

1. INFORMATION

All the documents and the information that have been provided to the Investors before the Signing Date by or on behalf of the Company in connection with the transactions contemplated under this agreement have been correct and complete in all material respects and are, in light of the circumstances in which they were made, not misleading and give, in all material respects, a true and complete picture of the business, financial and legal condition of the Company. All the documents and the information that have been requested by the Investors with respect to the Company have, to the extent they exist, been provided to the Investors by or on behalf of the Company.

* 1. [Disclosure Letter]

Signatories