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SIMPLE EQUITY INVESTMENT CONTRACT (SEIC)

relating to

[**Name of Company**]

1 Key Terms of the Investment

The Company (as defined below) is a Czech private limited liability company (*společnost s ručením omezeným*). The Investor (as defined below) intends to invest into the Company in accordance with this simple equity investment contract ("**Agreement**") and on the basis of the following key terms:

Mandatory Terms

"Cap Amount"

means CZK [*amount*]

"Company"

means [*name of Company*], with its registered seat office at [•], ID No.: [•], registered in the commercial register maintained by the [•] Court in [•] under File No. [•]

"Investment Amount"

means CZK [*amount*]

"Investor"

means [[*individual name*], born on [•], residing at [•]]/[*CZ legal entity name*], with its registered seat office at [•], ID No.: [•], registered in the commercial register maintained by the [•] Court in [•] under File No. [•]]/[*foreign legal entity name*], a company incorporated under the laws of [•], with its registered seat office at [•], Reg. No.: [•], registered in the [•] maintained by the [•]

Optional Terms

"Fallback Valuation Amount" means CZK [*amount*] OR N/A

"Long Stop Date" means [number] months after the date hereof [OR [date]] OR N/A

2 Investment

Subject to the terms and conditions of this Agreement, the Investor agrees to pay the Investment Amount to the Company within [•] business days to the Company's bank account No. [•].

3 Conversion

- 3.1 The Company and the shareholders of the Company (the "**Shareholders**") shall notify the Investor of any Subsequent Investment or a Change of Control. "**Subsequent Investment**" means any equity financing round made with respect to the Company after the date hereof and "**Change of Control**" means any transaction or series of related transactions in which one or more persons (acting jointly), directly or indirectly, acquire more than 50% of the outstanding share capital or of the business of the Company, including by way of reorganization of the Company (e.g. by way of merger or spin-off) or disposal of all or substantially all of the assets of the Company.
- 3.2 Without undue delay the Investor has been notified of a Subsequent Investment or Change of Control, the Shareholders and the Company shall procure that (i) the share capital (*základní kapitál*) of the Company is increased by way of an cash capital increase (*peněžité zvýšení základního kapitálu*), excluding the preferential subscription right (*přednostní právo úpisu*) of then existing shareholders, and a new share in the Company with a nominal amount calculated in accordance with section 3.3 or 3.4, as applicable, is issued and (ii) the Investor is permitted to subscribe for such newly issued share in the Company at par ("**Conversion**", and the newly issued share in the Company, "**Conversion Share**").
- 3.3 The nominal amount of the Conversion Share shall correspond to the Investment Amount divided by the price per CZK 1 of the share capital of the Company issued in the Subsequent Investment or the price for CZK 1 of the share capital of the Company agreed for in the Change of Control, in each case of the highest share class, *provided that* if the (pre-money) valuation of the Company in the Subsequent Investment or the Change of Control is greater than the Cap Amount, the Investment Amount shall be divided by the following amount: Cap Amount divided by the fully diluted share capital (*základní kapitál*) of the Company immediately prior to the Subsequent Investment or Change of Control (excluding a dilution from this Agreement or the Subsequent Investment or Change of Control).
- 3.4 The following provision only applies if the "Optional Terms" in section 1 have been agreed and completed by the parties: If by the Long Stop Date no Subsequent Investment or Change of Control has occurred, the Company and the Shareholders shall procure Conversion without undue delay after the Long Stop Date. In such

case, the nominal amount of the Conversion Share shall correspond to the Investment Amount divided by the following amount: Fallback Valuation Amount divided by the fully diluted share capital (*základní kapitál*) of the Company (excluding a dilution from this agreement). The Investor shall be obliged to subscribe for the Conversion Share at par in accordance with this Agreement.

- 3.5 The Conversion Share shall rank equal to the most senior class of shares issued by the Company to its shareholders and any other investors as of the Subsequent Investment or Change of Control, or at the time of the Long Stop Date, as applicable.

4 Company Warranties

- 4.1 As far as legally permissible, the Company hereby expressly represents and warrants to the Investor that the representations and warranties (*prohlášení a záruky*) given in this section 4 are true and accurate as of the date hereof:

4.1.1 The Company is a corporation duly organized and validly existing under the laws of the Czech Republic and is duly qualified and has full corporate power and authority to conduct its business as now being conducted.

4.1.2 The Company has the requisite corporate power and authority to execute, deliver and perform all of its duties and obligations under this Agreement.

4.1.3 To the best knowledge of the managing director(s) of the Company, the Company owns or possesses (or can obtain on commercially reasonable terms) sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, processes and other intellectual property rights necessary for its business as now conducted and as currently proposed to be conducted, without any conflict with, or infringement of the rights of, others.

- 4.2 The parties mutually confirm and agree that the representation and warranties set out in section 4.1 constitute a full and complete list of all representations and warranties made or given by all parties in relation to this Agreement. The Investor confirms in that respect that it is qualified, sophisticated and capable of evaluating the merits and risks of the transactions contemplated under this Agreement, it understands the financial history and situation of the Company and the early stage, nature and risk of its investment into the Company, it is in the position to afford the complete loss of its investment into the Company made pursuant to this Agreement and it has conducted a satisfactory due diligence in relation to the Company, including financial, legal and tax due diligence or at least had the chance to do so.

5 Confidentiality

The parties shall keep strictly confidential any information obtained by them in connection with the negotiation and execution of this Agreement and the transaction

contemplated herein (including, for the avoidance of doubt, any information on the Company).

6 Governing Law and Jurisdiction

- 6.1 This Agreement shall be governed by and construed in accordance with the laws of the Czech Republic, with the exception of (A) the UN Sale Convention and (B) the conflict of law rules.
- 6.2 The competent court at the seat (*sídlo*) of the Company having jurisdiction over the subject-matter shall have non-exclusive jurisdiction to settle any disputes arising out of or in connection with this Agreement or related to its creation, validity, nullity, interpretation, performance and termination as well as its pre- and post-contractual effects, unless otherwise provided by mandatory law.

7 Miscellaneous

- 7.1 The Shareholders hereby approve (by way of an agreement of shareholders) that the Company enters into this Agreement and performs its obligations under this Agreement.
- 7.2 Any notice required or permitted by this Agreement will be deemed sufficient when delivered personally or by overnight courier or sent by email to the relevant address listed on the signature page, or 48 hours after being deposited in the mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address listed on the signature page, as subsequently modified by written notice.
- 7.3 The Company shall bear any taxes, costs and expenses of the parties incurred in connection with the preparation, execution and consummation of this Agreement.
- 7.4 Where a Party has an obligation to "**procure**" that another person does or omits to do something ("**Desired Result**"), it shall be construed as that Party (i) being obliged to instruct any such other person expressly to do or omit to do that thing, and, cumulatively, (ii) assuming strict liability for the Desired Result occurring in the manner stipulated herein (*objektivní odpovědnost za výsledek*); the obliged Party shall be liable to pay the entitled Party damages if the Desired Result does not occur in such manner and at such time as agreed herein, regardless of any subjective or objective lack of capacity of the obliged Party to bring about the Desired Result.
- 7.5 Each of the parties shall without undue delay (*bez odkladu*) execute, or procure the execution of, such further documents as may be required by law or be necessary to implement and give effect to the transactions contemplated hereunder, including the Conversion. In the event that any change to the Company's share capital, including any share split, any reorganization, restructuring, merger, spin-off or split-off, or any similar transaction requires that this Agreement be amended to continuously serve its purpose and to continue to be effective, the parties agree to

implement such amendment without delay.

- 7.6 This Agreement contains the entire agreement reached between the parties on the subject of this Agreement and supersedes all prior agreements and understandings, whether oral or written, to the subject matter hereof. There are no side agreements.
- 7.7 Amendments and supplements to this Agreement as well as the waiver of any rights under this Agreement must be in writing in order to be valid. This also applies to any amendment to, or cancellation of, this section 7.7.
- 7.8 Should any binding provision of this Agreement be or become invalid, unenforceable or impracticable this shall not affect the validity and enforceability of the binding remaining provisions hereof. *In lieu* of the invalid, unenforceable or impracticable provision a provision shall apply which – to the extent possible – carries out the original intent of the signatories hereto.

[the remainder of this page is intentionally left blank – signature page to follow]

TEMPLATE

In _____ on _____

[Name of Company]

[Name of Investor]

name: _____
title: _____

name: _____
title: _____

[Name of Shareholder 1]

[Name of Shareholder 2]¹

name: _____
title: _____

name: _____
title: _____

¹ To be signed by (i) the Company, (ii) the Investor and (iii) all shareholders of the Company.