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| This document does not constitute legal advice and is not meant to serve as a recommended form suitable for each and every early stage capital investment by institutional investors in a Swiss early stage company. It is intended for use as a starting point for drafting and negotiation only. All parties involved should carefully consider departing from its terms where necessary to reflect the business terms underlying the early stage capital investment and should always satisfy themselves with their advisors and counsel of the commercial and legal implications of its use. |
| **Shareholders Agreement** |
| dated as of [*date*]  relating to  [*the COMPANY*]  made by and among  [*INVESTORS*]  and  [*FOUNDERS*]  and  [*OTHER SHAREHOLDERS*]  and  [*the COMPANY*] |
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**STATEMENT**

**Purpose**

The purpose of this model documentation for sizeable venture capital investment rounds with institutional investors (**Model Documentation**) is to facilitate and increase the efficiency of both negotiations for as well as the documentation of such investments in Switzerland (for small start-up investments by business angels and similar start-up investors, see SECA’s model documentation "light" at [www.seca.ch/templates/templates/vc-model-documentation.aspx](http://www.seca.ch/templates/templates/vc-model-documentation.aspx)). The Model Documentation is subject to Swiss law and takes into account international including Anglo-American documentation standards and concepts.

**Documents**

The Model Documentation comprises the following documents:

* Term Sheet
* Investment Agreement
* Shareholders Agreement

and certain important ancillary documents, such as Articles of Incorporation (*Statuten; statuts*), Board Regulations (*Organisationsreglement; règlement d'organisation*) and Cap Table.

**Working Group**

In order to incorporate the collective experience of Swiss private equity practice and ensure broad acceptance in the industry the SECA Legal & Tax Chapter invited a standing working group (**Working Group**) of practitioners from some of the major Swiss law firms active in the field to develop a commonly acceptable set of Model Documentation. The Working Group consists of:

* + **Martin Frey**, Baker & McKenzie;
  + **Dieter Gericke**, Homburger AG;
  + **Hannes Glaus**, Bratschi AG;
  + **Beat Kühni**, Lenz & Staehelin;
  + **Oliver Triebold**, Schellenberg Wittmer AG;
  + **Michael Trippel**, Bär & Karrer AG;
  + **Ulysses von Salis**, Niederer Kraft Frey AG; and
  + **Christian Wenger**, Wenger & Vieli AG.

SECA expresses its thanks to both its Legal & Tax Chapter as well as the Working Group for their joint contributions and efforts to establish the Model Documentation on a *pro bono* basis for the benefit of the Swiss venture capital and private equity market as a whole.

**Scope**

The Working Group first had to agree on a number of assumptions. The Model Documentation has been developed particularly with a view for it to be suitable for national and international, including Anglo-American professional / institutional investors. Further, it assumes that

* the investment is made as an early stage investment (typically CHF 5 – 20 million),
* the circle of involved parties consists of founders, (passive or active) shareholders and more than one active (financial) investors, and
* the early stage company is incorporated in Switzerland and organized in the form of a stock corporation (*Aktiengesellschaft, société anonyme*).
* Further assumptions and qualifications are stated in the footnotes.

In addition, important commercial terms (such as representations and warranties in the Investment Agreement, control-related veto rights on shareholder and board level and anti-dilution, registration and non-competition related protections in the Shareholders Agreement) have been included in the Model Documentation as an example only and/or have been deliberately left blank.

**Caution**

It is upon each party to ensure if and to what extent the Model Documentation is suitable to the transaction at hand. Each transaction has its own particularities and requires a deliberate and careful balance of interests. And for many of the legal issues addressed by the Model Documentation, there is more than one valid answer. Accordingly, consult your legal, tax and other advisors to ensure that the Model Documentation fits, and is appropriately adapted to, your specific purpose and reconfirm whether and to what extent the rights and obligations contemplated in the Model Documentation are valid and enforceable. Neither SECA nor any member of its Legal & Tax Chapter or the Working Group gives any opinion or assurances as to the suitability, adequacy, validity and/or enforceability of the Model Documentation and its provisions. In using or working with the Model Documentation, each user will be deemed to have waived, to the maximum extent legally permissible, any right or claim against, and to have accepted the exclusion of any responsibility or liability of, SECA, any member of its Legal & Tax Chapter and the Working Group.

We intend to develop the Model Documentation further over time based on “real life” experiences with it but also on your comments and proposed improvements – which you are invited and encouraged to submit to us ([info@seca.ch](mailto:info@seca.ch)), any member of the Legal & Tax Chapter or the Working Group.

**Third Edition**

The 3rd edition of the Model Documentation is in the new corporate logo of SECA and incorporates a number of changes to reflect some legislative changes, some court precedents and day-to-day real life experiences with the Model Documentation. It now also includes a form cap table.

Zurich, September 2018

**shareholders Agreement**

dated as of [*date*]

and entered into by and among

**1.** **Investors**

1.1 [name Investor 1], [address] ("Investor 1")

1.2 [name Investor n], [address] ("Investor n")

(Investor 1 and Investor n, collectively "**Investors**"

and individually an "**Investor**")

**2. Founders**

2.1 [name Founder 1], [address] ("Founder 1")

2.2 [name Founder n], [address] ("Founder n")

(Founder 1 and Founder n, collectively "**Founders**"

and individually a "**Founder**")

**3. Other Shareholders**

3.1 [name Other Shareholder 1], [address] ("Other Shareholder 1")

3.2 [name Other Shareholder n], [address] ("Other Shareholder n")

(Other Shareholder 1 and Other Shareholder n, collectively "**Other Shareholders**"

and individually an "Other Shareholder")

(Founders and Other Shareholders collectively "Existing Shareholders"

and individually an "Existing Shareholder")

and

**4. Company**

[name Company], [address]

("Company")

(Company, Investors and Existing Shareholders, collectively "Parties"

and individually a "Party")

**Table of Contents**

[1. Definitions 4](#_Toc515440674)

[2. General Undertaking 4](#_Toc515440675)

[3. Ownership Structure 4](#_Toc515440676)

[3.1 Ownership Structure Following Completion of the Capital Increase 4](#_Toc515440677)

[3.2 Implementation of Different Classes of Shares 5](#_Toc515440678)

[4. Articles and Board Regulations / Order of Precedence 5](#_Toc515440679)

[4.1 Order of Precedence 5](#_Toc515440680)

[4.2 Articles of Incorporation 5](#_Toc515440681)

[4.3 Board Regulations 5](#_Toc515440682)

[5. Board of Directors 6](#_Toc515440683)

[5.1 Representation of the Board and Initial Composition 6](#_Toc515440684)

[5.2 Election 6](#_Toc515440685)

[5.3 Chairman[/Vice-Chairman] 6](#_Toc515440686)

[5.4 Organization / Delegation 6](#_Toc515440687)

[5.5 Signing Authority 7](#_Toc515440688)

[5.6 Quorum of Attendance 7](#_Toc515440689)

[5.7 Resolutions 7](#_Toc515440690)

[5.8 [Board Compensation] 8](#_Toc515440691)

[5.9 [D&O Insurance] 8](#_Toc515440692)

[5.10 [Board Observer] 8](#_Toc515440693)

[6. Control / Important Shareholder and Board Matters, 8](#_Toc515440694)

[7. Information Rights 9](#_Toc515440695)

[8. Business Plan and CompanY Policies 9](#_Toc515440696)

[8.1 [Business Plan] 9](#_Toc515440697)

[8.2 [Company Policies] 9](#_Toc515440698)

[9. Funding / Financial Matters 9](#_Toc515440699)

[9.1 No Commitment for Further Funding 9](#_Toc515440700)

[9.2 [Raising of Additional Financing] 10](#_Toc515440701)

[9.3 Distribution of Dividends 10](#_Toc515440702)

[9.4 Accounting Standards and Policies 10](#_Toc515440703)

[9.5 Auditors 10](#_Toc515440704)

[9.6 Inspection / Audit Rights 11](#_Toc515440705)

[10. Preferences 11](#_Toc515440706)

[10.1 Dividend Preferences 11](#_Toc515440707)

[10.2 Liquidation Preference 12](#_Toc515440708)

[10.3 Subscription Preference & Anti-Dilution Adjustments 13](#_Toc515440709)

[11. Conversion 14](#_Toc515440710)

[11.1 Voluntary Conversion 14](#_Toc515440711)

[11.2 Mandatory Conversion in IPO 14](#_Toc515440712)

[11.3 Approval 15](#_Toc515440713)

[12. Exit[ / IPO] 15](#_Toc515440714)

[12.1 [Preferred Exit]/[Qualified Exit] 15](#_Toc515440715)

[12.2 [Preference in IPO] 15](#_Toc515440716)

[12.3 [Market Stand-Off / Lock-up in IPO] 16](#_Toc515440717)

[12.4 [Registration Rights post-IPO] 16](#_Toc515440718)

[13. Transfer Restrictions 16](#_Toc515440719)

[13.1 General Restriction and Permitted Transfers 16](#_Toc515440720)

[13.2 Right of First Refusal 16](#_Toc515440721)

[13.3 Tag-Along (Co-Sale Right) 18](#_Toc515440722)

[13.4 Drag-Along (Co-Sale Obligation) 20](#_Toc515440723)

[13.5 Purchase Option 21](#_Toc515440724)

[13.6 Limitation 23](#_Toc515440725)

[14. Share Register 23](#_Toc515440726)

[14.1 No Issuance of Share Certificates 23](#_Toc515440727)

[14.2 Issue and Transfer of Shares / Registrations in Share Register 23](#_Toc515440728)

[15. Accession and Release 24](#_Toc515440729)

[16. [Liquidated Damages] 24](#_Toc515440730)

[17. Term 25](#_Toc515440731)

[18. Miscellaneous 25](#_Toc515440732)

[18.1 Nature of Parties' Rights and Obligations 25](#_Toc515440733)

[18.2 Confidentiality 26](#_Toc515440734)

[18.3 [Non-Competition/Non-Solicitation] 27](#_Toc515440735)

[18.4 Successors and Assigns 27](#_Toc515440736)

[18.5 Costs and Expenses 27](#_Toc515440737)

[18.6 Notices 28](#_Toc515440738)

[18.7 Entire Agreement 28](#_Toc515440739)

[18.8 Severability 29](#_Toc515440740)

[18.9 Amendments 29](#_Toc515440741)

[18.10 Waiver of Rights 29](#_Toc515440742)

[19. Governing Law and [Arbitration]/[Jurisdiction] 29](#_Toc515440743)

[19.1 Governing Law 29](#_Toc515440744)

[19.2 [Arbitration]/[Jurisdiction] 30](#_Toc515440745)

**Preamble**

1. The Company is organized in the form of a Swiss stock corporation *(Aktiengesellschaft; société anonyme)* registered with the commercial register of the Canton of [*canton*] under the no.°[*number*] and having its registered office at [*address*], Switzerland.
2. The Company's core business consists of [*description of core business*].
3. The Parties have entered into an investment agreement dated [date] ("Investment Agreement") pursuant to which *(i)* the nominal share capital of the Company shall be increased ("Capital Increase") and *(ii)* the Investors agreed to subscribe for newly issued preferred Shares in the Company ("Preferred Shares").
4. As a condition precedent for the subscription of newly issued Preferred Shares by the Investors as contemplated by the Investment Agreement, the Parties agreed to execute this Agreement to govern their respective rights and obligations as shareholders of the Company and provide for the rules governing the operation of the Company.

**Based on the foregoing**, the Parties agree as follows:

# Definitions

For purposes of this Agreement, capitalized terms shall have the meanings set forth in **Annex** **1**.

# General Undertaking

The [Common Shareholders]/[Shareholders] acknowledge their common intent to procure, and to generally co-operate with each other so as to ensure, that the Company will be managed and operated with a view to maximizing its value for the Shareholders and ultimately achieving an exit for the Shareholders from their investment in the Company.

Each Shareholder hereby undertakes to the other Shareholders to:

* + - 1. generally exercise its powers and voting rights as a shareholder of the Company; and
      2. procure that the Director(s) nominated by such Shareholder exercise their powers and voting rights on the Board to the extent legally permissible and compatible with the fiduciary duties of such Director(s),

in a manner which is consistent with the terms of this Agreement, and to ensure that the provisions of this Agreement are given full effect at all times during the term of this Agreement.

# Ownership Structure

## Ownership Structure Following Completion of the Capital Increase

As at completion of the Capital Increase pursuant to the terms and conditions of the Investment Agreement, the ownership structure of the Company [on a fully diluted basis] and the holdings of each Shareholder in the respective class of Shares shall be as set forth in the Annex 3.1("Cap Table").

## Implementation of Different Classes of Shares

As at completion of the Capital Increase pursuant to the terms and conditions of the Investment Agreement, the Company's share capital [on a fully diluted basis]shall be divided into two different classes of Shares: Common Shares and Preferred Shares. The respective rights attaching to each of the two different classes of Shares shall be as set forth in this Agreement [and, subject to the order of precedence set forth in the second paragraph of Section 4.1 of this Agreement, the Articles].

# Articles and Board Regulations / Order of Precedence

## Order of Precedence

The rights and obligations of the Shareholders in their capacity as shareholder of the Company, the organization of the Company, the organization of the Board and the rights and responsibilities of the Directors shall be governed by this Agreement, the Articles, the Board Regulations and other governing documents of the Company as amended from time to time in accordance with the relevant provisions contained therein.

Unless expressly provided otherwise herein, the Articles, the Board Regulations and other governing documents of the Company shall, to the fullest extent permissible under applicable laws, include at all times any provisions required to give full effect to the terms and conditions of this Agreement, if and to the extent so requested by the Investors (acting jointly).

In the event of any conflict or discrepancies between the provisions of this Agreement and the Articles, the Board Regulations or any other governing documents of the Company, the provisions of this Agreement shall prevail to the extent such conflicts or discrepancies pertain to matters between and among the Shareholders.

## Articles of Incorporation

As at completion of the Capital Increase, the Company's articles of incorporation shall be substantially in the form as attached hereto as Annex 4.2 ("Articles").

## Board Regulations

As of completion of the Capital Increase, the Company’s board regulations shall be substantially in the form as attached hereto as Annex 4.3 ("Board Regulations").

# Board of Directors

## Representation of the Board and Initial Composition

The Board shall comprise a maximum of [number] Directors. Throughout the term of this Agreement:

* + - 1. [each of] the Investors shall have the right to be represented on the Board by [number] Director[s] nominated by [each of / the absolute majority of the voting rights represented by the Investors][, if and as long as the aggregate shareholdings of [such Investor / all Investors] reach or exceed [number] percent of the Company's then issued and outstanding share capital] (each an "Investor Director");
      2. the Common Shareholders shall have the right to be represented on the Board by [number] Director[s] nominated by [the absolute majority of the voting rights represented by] the Common Shareholders[, if and as long as the aggregate shareholdings of all Common Shareholders reach or exceed [number] percent of the Company's then issued and outstanding share capital] (each a "Common Shareholder Director"); and
      3. [the [Board]/[Shareholders collectively by [the majority] of voting rights represented by the Shareholders] shall from time to time nominate [number] independent Director[s] (each an "Independent Director").]

## Election

The Directors shall be elected by the General Meeting of Shareholders in accordance with Section 5.1 for [one] year terms. Each Shareholder hereby undertakes to the other Shareholders to cast its votes in the relevant General Meeting of Shareholders in favor of the person(s) nominated in accordance with Section 5.1.

## Chairman[/Vice-Chairman]

The initial Chairman shall be [name of chairman]. Thereafter, the Chairman shall be [one of the Independent Directors to be] nominated by the [Investor Directors (acting jointly)]/[Board]/[absolute majority of shareholder votes] for any subsequent terms. The Chairman shall be elected by the Board. The Chairman shall [have]/[not have] the casting vote.

[The initial Vice-Chairman shall be [one of the Independent Directors to be] nominated by the [Investor Directors (acting jointly)]. Thereafter, the Vice-Chairman shall be elected, from time to time, by the Board. If and to the extent the Chairman is unavailable, has a conflict of interest, or is otherwise not able to act, the Vice-Chairman shall assume the powers and duties of the Chairman.]

## Organization / Delegation

The organization and the responsibilities of the Board, the majority requirements for affirmative resolutions on Important Board Matters, the delegation of the management of the Company by the Board to the Management, and the reporting shall be set forth in the Board Regulations in full compliance with the terms and conditions set forth in this Agreement.

The Board Regulations will, to the fullest extent permitted by law and subject to the consent requirements for Important Board Matters, delegate the day-to-day management of the Company to the Management.

## Signing Authority

[As a general rule, t]/[T]he Board shall not grant individual signing authorities (Einzelzeichnungsberechtigung; signature individuelle) to Directors and/or officers of the Company and [all Directors] shall be granted collective signing powers (Kollektivzeichnungsberechtigung zu Zweien; signature collective à deux).

## Quorum of Attendance

Each Shareholder acknowledges and agrees that the Board shall only be deemed to be validly constituted and entitled to transact business, if:

* + - 1. [each]/[at least [number]] Investor Director[s]; and
      2. at least the majority of all Directors

are present (including by telephone, video or computer conference or other means of direct communication), and each Shareholder hereby undertakes to the other Shareholders to procure that the Director(s) nominated by it pursuant to Section 5.1 abstain from participating in Board meetings and from transacting business if the Board is not validly constituted in accordance with this Section 5.6. Notwithstanding the foregoing:

* + - 1. if the quorum of attendance set forth in the preceding paragraph is not met upon first invitation, the Board meeting shall be postponed and called again with at least [five] calendar days prior written invitation and such second meeting shall take place at the same place and time and on the same weekday two weeks after the meeting date specified in the first invitation unless otherwise agreed by all Directors. In such second meeting, the Board meeting shall be validly constituted if at least [the majority of all] Directors are present (including by telephone, video or computer conference or other means of direct communication) and the Board may pass resolutions on the agenda items that have already been put on the agenda distributed to the Directors together with the first invitation, subject to the approval requirements set forth in Section 6(b); and
      2. no quorum requirement applies for meetings at which the Board merely confirms in front of a notary the execution of a capital increase and resolves on changes of the Articles in connection with a share capital increase, in each case as resolved by the General Meeting of Shareholders and/or the Board (in particular art. 651 para. 4, 651a, 652e, 652g and 653g CO).

## Resolutions

Unless otherwise stated in Section 6, resolutions and other actions by the Board shall be taken by the simple majority of the votes of the Directors present.

## [Board Compensation]

[Unless otherwise resolved by the Board from time to time, each [Independent] Director shall receive a net amount of CHF [amount] per annum (net of social security contributions, if any, payable by the relevant Director) as remuneration for his/her function as a Director. [All other Directors shall not receive remuneration.]]

[Upon presentation of appropriate receipts, the Company shall reimburse each Director for all business expenses (including travel costs and hotel accommodation) reasonably incurred by such Director in connection with his/her function as a Director.]

## [D&O Insurance]

[The Company will procure appropriate directors' and officers' insurance coverage.]

## [Board Observer]

[Each Investor who is not represented on the Board by an Investor Director shall have the right to appoint a person to attend all meetings of the Board as an observer ("Board Observer"). Each Board Observer shall: *(i)* be entitled to participate, without voting rights, in all Board meetings, *(ii)* receive the same information as Directors, and *(iii)* be invited to Board meetings at the same time as Directors. Any information obtained by a Board Observer in his/her capacity as Board Observer shall be subject to the same restrictions as set forth in Section 7 and Section 18.2.]

# Control / Important Shareholder and Board Matters

Each of the Shareholders acknowledges and agrees with the other Shareholders:

* + - 1. not to cast an affirmative vote in respect of any of the important shareholder matters specified in Part A of **Annex 6**  ("**Important Shareholder Matters**"), unless any such Important Shareholder Matter will be approved by at least: *(i)* [662/3%] of shareholder votes [and the absolute majority of the share capital of the Company][represented at the relevant General Meeting of Shareholders]/[issued by the Company] and *(ii)* [662/3%] of shareholder votes of the holders of Preferred Shares [represented at the relevant General Meeting of Shareholders]/[issued by the Company], whereby each Share shall entitle its holder to one vote irrespective of the class to which it belongs; and

[(b)] [*Alternative 1:*] that any affirmative decision with respect to any of the important Board matters specified in Part B of **Annex 6** ("**Important Board Matters**") shall require the consent of at least [*percentage*]% of [all elected Directors]/[the Directors present at the meeting].]

[(b)] [*Alternative 2:*] to procure that the Director(s) nominated by such Shareholder shall not, subject only to their fiduciary duties, cast an affirmative vote with respect to any of the important Board matters specified in Part B of **Annex 6** ("**Important Board Matters**"), unless such Important Board Matter will be approved by *(i)* the simple majority of the Directors present at the meeting and *(ii)* [each]/[at least [*number*]] Investor Director[s].]

# Information Rights

During the term of this Agreement, the Company shall provide [each Investor] with, and each Investor shall have access to, the following information:

* + - 1. within [90] calendar days of the end of each financial year, audited financial statements prepared in accordance with the CO [and Swiss GAAP]/[IFRS];
      2. within [30] calendar days of the end of each fiscal quarter, unaudited quarterly financial statements[, and a twelve-month rolling forecast];
      3. within [20] calendar days of the end of each month, monthly management accounts (*i.e.*, balance sheet, profit and loss statement, cash flow statement);
      4. no later than [60] calendar days prior to the end of each financial year, the proposed budget for the next following financial year; and
      5. forthwith, any additional information reasonably requested by an Investor [or by its controlling company] in order to *(i)* account for the investment made in the Company or *(ii)* meet the demands of any regulatory and/or governmental authorities, including, but not limited to, any information required in order to prepare a prospectus or filings to competition authorities.

In addition, [each Investor] shall have the opportunity at its discretion to discuss any issues relating to its investment and the Company at least on a monthly basis with the Company, and the Company shall allow *(i)* consultation with the Management on significant issues and *(ii)* access to the books, records and facilities of the Company at any time upon reasonable advance request to the [Board]/[Chairman].

# Business Plan and CompanY Policies

## [Business Plan]

[The Business Plan agreed among the Parties is attached hereto as Annex 8.1]

## [Company Policies]

[to be specified if and as agreed and appropriate.]

# Funding / Financial Matters

## No Commitment for Further Funding

Subject to the terms of the Investment Agreement[, the Shareholder Loans and the Finance Documents], nothing herein shall be deemed to constitute a binding commitment on any of the Shareholders to provide for any financing or funding to the Company in whatever form or manner (including, without limitation, by way of equity financing, debt financing or any combination thereof).

## [Raising of Additional Financing]

[In order to finance the Company and its operations in accordance with its Business Plan, the Company shall use its best efforts to raise sufficient additional equity financing in one or a series of additional financing rounds or debt financing, if and as proposed by the Board with the approval requirements set forth in Section 6(b) ("Approved Financing").]

[Each Shareholder hereby consents to the granting of equal or higher ranking preferential rights in respect of newly issued Shares for the benefit of any investor, if and as may be required or deemed appropriate by the Board with the approval requirements set forth in Section 6(b) to arrange for and/or implement such Approved Financing.]

## Distribution of Dividends

The Shareholders understand that in the interest of achieving the targets defined in the Business Plan, substantial investments will need to be made; accordingly, the payment of dividends to the Shareholders may not be feasible and/or desirable [during the growth stage of the Company]/[until the end of the financial year [year]]/[for the foreseeable future].

## Accounting Standards and Policies

The financial statements and accounts of the Company [and any of its subsidiaries] shall be prepared in accordance with the CO [and Swiss GAAP]/[IFRS] and accounting practices and financial reference periods consistent with those applied in the preparation of previous financial years, in each case unless: *(i)* the Company notifies each Investor that there has been a change in the CO[, Swiss GAAP]/[IFRS], or the accounting practices or financial reference periods, and *(ii)* delivers to each Investor:

* + - 1. a short description of any change necessary for those financial statements and accounts to reflect the CO[, or Swiss GAAP]/[IFRS], and the accounting practices and financial reference periods as previously applied; and
      2. a comparison between *(i)* the financial position of the Company on the basis of the previously-applied accounting practices and financial reference periods (*i.e.*, without such change) and *(ii)* the financial position of the Company on the basis of the newly applied accounting practices and financial reference periods (*i.e.*, with such change being applied).

Any change to the Company's accounting practices or financial reference periods requires the prior approval of the Board, not to be withheld to the extent such change is required by the CO[, or Swiss GAAP]/[IFRS] and otherwise in accordance with the approval requirements set forth in Section 6(b).

## Auditors

As of the date of this Agreement, the Company's auditors shall be [name of auditors]. For any subsequent tenure, the Company's auditors shall be elected from time to time by the General Meeting of Shareholders.

## Inspection / Audit Rights

The Company hereby grants [each Investor]/[each of [Investor [1/n]] the right to appoint an independent auditor to inspect and audit the books and accounts of the Company. Such auditor shall have the right, upon reasonable advance notice and during regular business hours, to enter the premises of the Company or other location where records are maintained, to inspect, audit and to make copies of any book and record of account of the Company. Any information obtained during such audit shall be subject to the same restrictions as set forth in Section 7 and Section 18.2.

The costs of such audit and inspection shall be borne by [the relevant Investor(s), except *(i)* where the Company fails to provide the information in accordance with Section 7 or *(ii)*, if such information is provided, the audit and inspection reveals that it is materially incorrect, in which case such costs shall be borne by the Company].

# Preferences

## Dividend Preferences

### Grant

If the General Meeting of Shareholders resolves to declare a dividend in cash, in kind or otherwise ("Dividend" or "Dividend Event"), such Dividend shall be allocated to the holders of Shares in the following order of precedence ("Dividend Preference"):

* + - 1. in first priority to the holders of Preferred Shares *pro rata* to their holdings in the class of Preferred Shares up to the Preference Amount; and
      2. in second priority, if and to the extent the Preference Amount has been fully paid, to all holders of Preferred Shares and Common Shares *pro rata* to their respective aggregate holdings of Shares in the then issued share capital of the Company [on an as-converted basis].

[Each holder of Common Shares hereby irrevocably undertakes, in favor of the holders of higher ranking Preferred Shares, to execute all documents or instruments and to take all required actions and measures to comply with and (to the extent not yet effected) effect the above Dividend preferences (including the Dividend Preference)[, and each holder of Common Shares hereby irrevocably assigns to each holder of higher ranking Preferred Shares *pro rata* to their holdings of Preferred Shares, to the extent required to give effect to the above Dividend Preference as between and among the Common Shareholders and holders of Preferred Shares, its rights *vis-à-vis* the Company to receive Dividends, and each holder of higher ranking Preferred Shares hereby accepts such assignment, in each case with effect as per the occurrence of a Dividend Event. The Company hereby acknowledges its notification of such assignment].]

### Limitation

Notwithstanding anything contained in this Section 10.1 to the contrary (but subject to Section 11), the Dividend Preference set forth in Section 10.1.1(a) shall terminate and cease automatically upon the first to occur of *(i)* completion of an IPO of the Company or *(ii)* full payment of the Preference Amount.

## Liquidation Preference

### Grant

In the event a Liquidation occurs, the proceeds resulting from such Liquidation shall be allocated to the holders of Shares in the following order of precedence ("Liquidation Preference"):

* + - 1. in **first priority** to the holders of Preferred Shares *pro rata* to their holdings in the class of Preferred Shares up to the Preference Amount it being, understood that that the maximal amount payable to holders of Preferred Shares shall not exceed the Preference Amount less any proceeds received by a holder of Preferred Shares resulting from a previous Liquidation event; and
      2. in **second priority**, if and to the extent the Preference Amount has been fully paid, to all holders of Preferred Shares and Common Shares *pro rata* to their respective aggregate holdings of Shares in the then issued share capital of the Company [on an as-converted basis].

[Each holder of Common Shares hereby irrevocably undertakes, in favor of the holders of Preferred Shares, to execute all documents or instruments and to take all required actions and measures to comply with and (to the extent not yet effected) effect the Liquidation Preference)[, and each holder of Common Shares hereby irrevocably assigns to each holder of higher ranking Preferred Shares *pro rata* to their holdings of Preferred Shares, to the extent required to give effect to the above Liquidation Preference as between and among the Common Shareholders and holders of Preferred Shares, its rights *vis-à-vis* the Company to receive Liquidation proceeds, and each holder of higher ranking Preferred Shares hereby accepts such assignment, in each case with effect as per the occurrence of a Liquidation. The Company hereby acknowledges its notification of such assignment]].

[Without limiting the generality of the foregoing, the Shareholders acknowledge and agree that in case of a Sale:

* + - 1. by way of a transfer of all or [substantially all]/[a major part] of the Company's assets, the Shareholders shall resolve on a dividend or liquidation of the Company in order to effect the Liquidation Preference; and
      2. by way of a transfer or other disposal (whether through a single transaction or a series of related transactions) of the Shares, the Liquidation Preference shall be reflected in the price expressed to be payable *(i)* per one Preferred Share to holders of Preferred Shares and *(ii)* per one Common Share to the Common Shareholders by the acquirer under the relevant share purchase agreement.]

### Limitation

Notwithstanding anything contained in this Section 10.2 to the contrary (but subject to Section 11), the Liquidation Preference shall terminate and cease automatically upon the first to occur of *(i)* completion of an IPO of the Company or *(ii)* full payment of the Preference Amount.

## Subscription Preference & Anti-Dilution Adjustments

### Grant

The Shareholders acknowledge and agree that subject to the limitation set forth in Section 10.3.3 each holder of Preferred Shares shall have a preferential right to subscribe for any new equity or equity-related securities offered by the Company at the same terms and conditions specified in such offer, *i.e.* that new equity or equity-related securities offered shall be available in their entirety to the holders of Preferred Shares[, if and to the extent necessary to effect the Anti-Dilution protection of each holder of Preferred Shares pursuant to Section 10.3.2].

This preferential right of the holders of Preferred Shares to subscribe shall be *pro rata* solely to the aggregate total of Preferred Shares then held by the holders’ of Preferred Shares (*i.e.*, without taking into account the aggregate total of any other Shares then held by any other holders of Shares). Each holder of Common Shares hereby irrevocably waives, to the benefit of the holders of Preferred Shares [and to the extent necessary to give full effect to the preferential subscription rights set forth in this Section 10.3.1], any statutory subscription right (Bezugsrecht; droit de souscription préférentiel) it may have, and each of the Common Shareholders hereby undertakes to execute the necessary waivers required by law, to exercise its powers and voting rights in General Meetings of Shareholders, and to procure that the Director(s) nominated by such Shareholder exercise their powers and voting rights on the Board, in full compliance with these preferential subscription rights.

### Anti-Dilution Adjustments

In the event the Company issues *(i)* either equity at a subscription or purchase price or *(ii)* securities convertible into equity at a conversion price, in each case below CHF [amount] (which is the subscription price per one Preferred Share paid by a holder of Preferred Shares pursuant to the terms and conditions of the Investment Agreement), each holder of Preferred Shares shall, in consideration for the Subscription Amount paid by each Investor in accordance with the terms and conditions of the Investment Agreement and subject to the limitation set forth in Section 10.3.3, be entitled to a [broad based weighted average] Anti-Dilution adjustment in accordance with the formula set forth in Annex **10.3.2** ("Anti-Dilution Adjustment").

Each Shareholder hereby agrees with the other Shareholders, that the Anti-Dilution Adjustment shall be effected, by the issuance to each holder of Preferred Shares of the required number of additional Preferred Shares at nominal value payable by the [Investors] in accordance with the formula set forth in Annex 10.3.2 to achieve the Anti-Dilution Adjustment.

Each of the Shareholders hereby undertakes to execute the necessary waivers required by law, to exercise its powers and voting rights in General Meetings of Shareholders, and to procure that the relevant Director(s) nominated by such Shareholder exercise(s) its/their powers and voting rights on the Board, in order to facilitate this Anti-Dilution Adjustment in accordance with this Section 10.3.2.

### Limitations

It is acknowledged and agreed that the subscription preference and Anti-Dilution Adjustment set forth in this Section 10.3 shall not apply, and all Shareholders hereby unconditionally and irrevocably waive all their preferential subscription rights hereunder or at law and the Anti-Dilution Adjustment set forth herein with respect to:

* + - 1. share splits or similar reorganizations;
      2. conversion of Preferred Shares into Common Shares in accordance with Section 11;
      3. securities issued in connection with a *bona fide* business acquisition by the Company;
      4. securities issued or issuable pursuant to strategic transactions, an equipment lease financing or a bank credit arrangement entered into primarily for non-equity financing purposes;
      5. shares issued in connection with an ESOP; and
      6. the issuance of securities to the public in case of an IPO;

in each case of (a) to (f), as approved by the Board with the approval requirements set forth in Section 6(b).

Subject to Section 11, the preferential subscription rights and Anti-Dilution Adjustments set forth above shall terminate and cease automatically upon completion of [the first to occur of a Sale or] an IPO of the Company.

# Conversion

## Voluntary Conversion

Each holder of Preferred Shares shall have the right to request at any time during the term of this Agreement the conversion of all or a part of its Preferred Shares into Common Shares at a [1:1] conversion ratio by providing notice to this effect to all other Shareholders and the Company in accordance with Section 18.6 ("Notice of Voluntary Conversion"). All preferential rights accrued to the holder of Preferred Shares under Sections 10 and 12 prior to the date of such Notice of Voluntary Conversion shall cease and terminate automatically upon receipt by the other Shareholders of such Notice of Voluntary Conversion and such holder of Preferred Shares shall, with regard to such converted shares, have the same rights and obligations under this Agreement as the other Common Shareholders. The Parties shall procure that the Articles will be adjusted accordingly, if necessary.

## Mandatory Conversion in IPO

All Preferred Shares shall be converted into Common Shares in case of an IPO of the Company at a conversion rate of [1:1] [on the last business day prior to the first trading day]/[prior to the publication of the offering circular], upon written notice to this effect by the Investors (acting jointly) to all other Shareholders in accordance with Section 18.6 ("Notice of Mandatory Conversion"); *provided*, however, that the Notice of Mandatory Conversion may be given by any Director in case of a an IPO which qualifies as a Qualified Exit Event. If a Liquidation should occur between the conversion and the IPO, all preferences shall apply as if no conversion had taken place.

If, within a period of [30] Calendar days following the conversion, no IPO is closed, each holder of Preferred Shares, by written notice, may require the other Parties to re-establish the share structure and preference rights as existing prior to the conversion.

## Approval

In order to achieve the conversion of Preferred Shares into Common Shares in accordance with Sections 11.1 and 11.2, each Shareholder hereby undertakes to the other Shareholders to approve the necessary shareholder resolution(s) to effect the above conversion as soon as reasonably practicable after Notice of Voluntary Conversion and/or Notice of Mandatory Conversion has been given in accordance with this Section 11.

# Exit[ / IPO]

## [Preferred Exit]/[Qualified Exit]

[The Company shall be managed and operated with a view to maximizing its value for the Shareholders and ultimately achieving an exit, preferably through a Sale [and/or IPO], for the Shareholders from their investment in the Company by no later than [number] years after the date of this Agreement, or, if that is not feasible or advisable, at the earliest convenient opportunity thereafter.]

[Each Shareholder agrees that if the Board passes a resolution (in each case with the consent of [each of the Investor Directors]/[the majority of the Investor Directors]) recommending a Sale that values the Company in excess of CHF [amount] [or an IPO with a firm underwriting commitment of the underwriter(s)/global coordinator(s) in respect of newly issued Shares representing an aggregate issue price in excess of CHF [amount]] (each a "Qualified Exit Event"), each Shareholder shall exercise its respective powers and voting rights and provide all such consents and otherwise support all measures as shall be necessary or desirable to procure that the Company can complete the Qualified Exit Event.]

## [Preference in IPO]

[In the event of an IPO that includes the offering of pre-existing Shares, each holder of Preferred Shares, *pro rata* to its respective Preferred Shares holdings in the share capital of the Company at that time and subject to any regulatory or underwriting requirement or limitations, shall have a priority right over the other Shareholders to place its Preferred Shares (*i.e.*, its Common Shares upon completion of a mandatory conversion in accordance with Section 11.2) in the IPO (including the greenshoe) and no holder of Preferred Shares shall be excluded from placing Preferred Shares in the IPO unless all of the other Shareholders' securities are also excluded.]

## [Market Stand-Off / Lock-up in IPO]

[Subject to Section 12.2, each Common Shareholder hereby undertakes to the Investors to execute separate lock-up agreements, and to comply with customary transfer restrictions (lock-up/market stand-off) for a period of up to one year following an IPO if and as requested by the underwriter/global coordinator or under applicable listing requirements in case of an IPO or any subsequent offering.]

## [Registration Rights post-IPO]

[In case of a listing in a jurisdiction that requires registration of shares to ensure their tradability, the registration rights of the holders of Preferred Shares (including Preferred Shares converted into Common Shares in accordance with Section 11.2) and the Common Shareholders towards the Company upon and following completion of an IPO shall be as set forth in **Annex 12.4** or as may otherwise be required by the relevant laws and regulations in order to enable a shareholder to trade its shares.]

# Transfer Restrictions

## General Restriction and Permitted Transfers

Subject to Section 12, each Party acknowledges and agrees that Shares:

* + - 1. shall not be pledged, assigned by way of security or otherwise used as security and shall remain free and clear of any liens, encumbrances, charges or any other third party rights; and
      2. shall not be Transferable *(i)* for a period of [*number*] years after the date of this Agreement and *(ii)* thereafter only in accordance with this Section 13, *provided*, however, that holders of Preferred Shares may at any time Transfer Shares to an Affiliate (each Transfer in accordance with this Section 13 including a Transfer to an Affiliate by holders of Preferred Shares, a "**Permitted Transfer**") and *provided* further that if an Affiliate ceases to be an Affiliate of the holder of Preferred Shares who Transferred the Shares, then such Affiliate must immediately re-transfer the Shares to the previous holder of such Preferred Shares concerned or an Affiliate of such previous holder.

## Right of First Refusal

### **Grant**

Each Shareholder hereby grants:

* + - 1. in first priority to the holders of Preferred Shares;
      2. in second priority to the Company (within the limitations of Art. 659 CO and Art. 680 CO) or to a third party designated by the Company; and
      3. in third priority to the Common Shareholders;

a right of first refusal with respect to the Shares held by such Shareholder in accordance with the terms and conditions set forth in this Section 13.2 ("Right of First Refusal").

### Notification

If a Shareholder (or a group of Shareholders) [wishes to Transfer] all or a part of its Shares (for purposes of this Section, "Relevant Shares") to a third party (including another Shareholder) ("Right of First Refusal Event"), such Shareholder(s) (for purposes of this Section, "Selling Shareholder(s)") shall submit *(i)* an offer to all other Shareholders stating in writing the price and terms of the proposed Transfer in accordance with the notice provision set forth in Section 18.6 ("Right of First Refusal Notice") and *(ii)* a copy of such offer to the Company. If the Selling Shareholder(s) has/have received a bona fide purchase offer from a third party (including another Shareholder), the terms of such offer from the proposed acquirer shall be disclosed to the Company and the other Shareholders in the notice. The Company shall inform each Shareholder forthwith but not later than five calendar days after receipt of the Right of First Refusal Notice about *(i)* the date it received the Right of First Refusal Notice and *(ii)* the day the 30-calendar-day period mentioned in Section 13.2.4 for exercising the Right of First Refusal expires.

### Terms and Conditions

The price and terms of the Right of First Refusal shall either be the price and terms of the bona fide purchase offer from a third party or, in the absence of such a third party offer, the price and terms offered by the Selling Shareholder.

### Exercise

Each beneficiary of the Right of First Refusal wishing to exercise its right in respect of the Relevant Shares shall so notify the Company and the Selling Shareholder(s) in accordance with the notice provision set forth in Section 18.6 within a period of 30 calendar days from receipt of the Right of First Refusal Notice ("Right of First Refusal Exercise Notice") by the Company, it being understood and agreed that the Right of First Refusal may only be validly exercised by a beneficiary with respect to all (but not less than all) of the Relevant Shares. If no Right of First Refusal Exercise Notice is submitted by a Shareholder within the period of 30 calendar days from receipt of the Right of First Refusal Notice by the Company, the Right of First Refusal of that Shareholder shall be deemed to have been forfeited (verwirkt; périmé) with respect to this particular Right of First Refusal Event.

### *Pro Rata* Allocation

In the event that more than one of the beneficiaries of the Right of First Refusal within a group of beneficiaries having the same order of priority pursuant to Section 13.2.1 validly exercise their Rights of First Refusal, the Relevant Shares shall be allocated among such exercising beneficiaries *pro rata* to their then existing holdings of Shares.

The Board shall promptly allocate the Relevant Shares in accordance with the terms and conditions of Section 13.2 among the beneficiaries who have submitted a Right of First Refusal Exercise Notice and promptly notify all Shareholders no later than ten calendar days after expiry of the 30 calendar day period to submit a Right of First Refusal Exercise Notice pursuant to Section 13.2.1 *(i)* of the exercise (or non-exercise) by the beneficiaries of their Right of First Refusal and *(ii)* of the allocation of the Relevant Shares among the beneficiaries.

### Consummation

The Transfer of the Relevant Shares to one or more beneficiaries who validly exercised the Right of First Refusal shall be consummated within 60 calendar days from receipt of the Right of First Refusal Notice by the Company unless the terms of the bona fide purchase offer provided for longer terms, in which case the terms of such bona fide purchase offer shall apply. The Transfer price shall, unless other terms are stated in the Right of First Refusal Notice, be paid in cash against registration of the acquiring Shareholder(s) [or, as the case may be, the Company] as holder(s) of the respective number of Relevant Shares in the share register of the Company.

### Transfer to Proposed Acquirer

In the event the Right of First Refusal is not exercised in accordance with Section 13.2, the Selling Shareholder(s) shall be free, subject only to Sections 13.3, 13.4 and 15, to Transfer the Relevant Shares to the proposed acquirer or, absent any *bona fide* purchase offer from a third party, any acquirer, on terms not more favorable than those offered to the beneficiaries of the Right of First Refusal in the Right of First Refusal Notice, within a period of [six] months after expiry of the 30 calendar day period to submit a Right of First Refusal Exercise Notice pursuant to Section 13.2.4. Thereafter, the procedure pursuant to this Section 13.2 shall be repeated prior to any Transfer.

## Tag-Along (Co-Sale Right)

### Grant

Each Shareholder hereby grants to the other Shareholders the right to co-sell all the Shares held by such other Shareholder together with the Selling Shareholder(s) (as defined below) to a proposed acquirer in accordance with the terms and conditions set forth in this Section 13.3 ("Tag-Along Right"), *provided* the Transfer of Shares by the Selling Shareholder(s) to such proposed acquirer would result in a Change of Control.

### Notification

In the event a Shareholder (or a group of Shareholders) wishes to Transfer all or a part of its Shares (for purposes of this Section, "Relevant Shares") in one or a series of related transactions to a proposed acquirer (including another Shareholder) on the basis of a bona fide purchase offer, and *provided* such Transfer of Shares would result in a Change of Control ("Tag-Along Event"), such Shareholder(s) (for purposes of this Section 13.3, "Selling Shareholder(s)") shall notify the other Shareholders as well as the Company thereof, mutatis mutandis in accordance with Section 13.2.2 ("Tag-Along Notice"). Such a Tag-Along Notice may be part of a Right of First Refusal Notice according to Section 13.2. The Company shall inform each Shareholder forthwith but not later than five calendar days after receipt of the Tag-Along Notice about *(i)* the date it received the Tag-Along Notice and *(ii)* the day the 30 calendar day period for exercising the Tag-Along Right in accordance with Section 13.2.4 expires.

### Terms and Condition

The terms of the Tag-Along Right shall be the same consideration per Share and otherwise the same terms and conditions as applicable to the Selling Shareholder(s) [(except for [*(i)*] any representations, warranties and/or indemnities other than (several and not joint) title warranties solely in respect of the Shares sold by such other Shareholder(s) [and *(ii)* payment of the consideration per Share, which must be in immediately available cash])] upon the occurrence of a Tag-Along Event, *provided* that the proceeds resulting from such Transfer shall be deemed to constitute Liquidation proceeds and shall be allocated to the holders of Preferred Shares and the Common Shareholders in accordance with Section 10.2.

### Exercise

Each Shareholder wishing to exercise its Tag-Along Right with respect to its Shares shall so notify the Selling Shareholder(s) in accordance with the notice provision set forth in Section 18.6 within a period of 30 calendar days from receipt of the Tag-Along Notice ("Tag-Along Exercise Notice") by the Company, it being understood and agreed that the Tag-Along Right may only be validly exercised by a Shareholder with respect to all (but not less than all) of its Shares. If no Tag-Along Exercise Notice is submitted by a Shareholder within the period of 30 calendar days from receipt of the Tag-Along Notice by the Company, the Tag-Along Right of that Shareholder shall be deemed to have been forfeited (verwirkt; périmé) with respect to this particular Tag-Along Event.

If the proposed acquirer (or, in case of a concurrent exercise of the Right of First Refusal, the Shareholder(s) exercising the Right of First Refusal) refuses to accept the purchase of the Shares from the Shareholders who provided a Tag-Along Notice, the Selling Shareholder(s) shall be prohibited from Transferring the Relevant Shares to the proposed acquirer (or, in case of a concurrent exercise of the Right of First Refusal, to the Shareholder(s) exercising the Right of First Refusal).

### Consummation

If the Tag-Along Right according to Section 13.3 is exercised (and, as the case may be, the Right of Frist Refusal according to Section 13.2 is exercised as well), the Transfer of Shares to the proposed acquirer (or, in case of a concurrent exercise of the Right of First Refusal, to the Shareholder(s) exercising the Right of First Refusal) shall be consummated at the closing date agreed by and between the Selling Shareholder(s) and the proposed acquirer (such closing date not to be earlier than 45 calendar days after the Company received the Tag-Along Notice) by payment [in cash] of consideration expressed to be payable per Share pursuant to the agreement with the acquirer against registration of the acquirer in the share register of the Company as holder of the respective number of Relevant Shares and the Shares co-sold pursuant to Section 13.3, if any.

### Transfer to Proposed Acquirer

If neither the Tag-Along Right nor the Right of Frist Refusal according to Sections 13.3 and 13.2 is exercised, the Selling Shareholder(s) shall be free, subject only to Section 15, to Transfer the Relevant Shares to the proposed acquirer on the terms disclosed to the other Shareholders in the Tag-Along Notice and the Right of First Refusal Notice within a period of [six] months starting after the expiry of the 30 calendar day period to submit a Tag-Along Exercise Notice pursuant to Section 13.3.4. Thereafter, the procedure pursuant to this Section 13.3 shall be repeated prior to any such Transfer.

## Drag-Along (Co-Sale Obligation)

### Grant

The Shareholders hereby grant [a holder of Preferred Shares]/[a group of holders of more than [50]% of all Preferred Shares]/[all holders of Preferred Shares] a right to require all other Shareholders to co-sell their Shares to a proposed acquirer in accordance with the terms of this Section 13.4 ("Drag-Along Right").

### Notification

In the event [a holder of Preferred Shares]/[a group of holders of more than [50]% of all Preferred Shares]/[all holders of Preferred Shares] wish[es] to Transfer 100% of [its]/[their] aggregate shareholdings in the Company in one or a series of related transactions to a proposed acquirer (including another Shareholder) who wishes to acquire all (but not less than all) Shares in the Company pursuant to a bona fide purchase offer ("Drag-Along Event"), [that holder]/[that group of holders]/[all holders] of Preferred Shares (for purposes of this Section, "Relevant Selling Shareholder[s]") shall notify the other Shareholders thereof, mutatis mutandis in accordance with Section 13.2.2 ("Drag-Along Notice"). The Company shall inform each Shareholder forthwith but not later than five calendar days after receipt of the Drag-Along Notice about *(i)* the date it received the Drag-Along Notice and *(ii)* the day the [six] month period according to Section 13.4.4 expires.

### Terms and Conditions

The terms of the Drag-Along Right shall be the same consideration per Share (within the same class of Shares) and[, except as set forth in Section 13.4.6,] otherwise at the same terms and conditions as applicable to the Relevant Selling Shareholder[s], *provided* that the proceeds resulting from such Transfer shall be deemed to constitute Liquidation proceeds and shall be allocated to the holders of Preferred Shares and the Common Shareholders in accordance with Section 10.2.

### Consummation

The Transfer of Shares to the proposed acquirer shall be completed at the agreed closing date [(but no later than within a period of [six] months after the date of receipt of the Drag-Along Notice) by the Company] and otherwise in accordance with the proposed terms of the underlying agreement between the Relevant Selling Shareholder[s] and the proposed acquirer.

### Precedence over Right of First Refusal and Tag-Along Right

For the avoidance of doubt and notwithstanding anything contained herein to the contrary, *(i)* Section 13.2 shall not apply in case of a Drag-Along Event and *(ii)*, in case of a concurrent exercise of the Drag-Along Right and the Tag-Along Right in accordance with the terms of this Agreement, this Section 13.4 shall take precedence over Section 13.3.

### [Key Terms and Conditions]

[The terms and conditions of the Transfer of Shares shall include the following:

* + - 1. For each Share within the same class of Shares, the purchase price shall be the same *pro rata* of the par value of such Share. The difference in the purchase price between different classes of Shares shall reflect, and be limited to, the preferences set forth in Sections 10.1 and 10.2. All considerations for the Shares shall be paid on the same date and in cash.
      2. Each other Shareholder's liability for representations and warranties shall, to the extent legally permissible, be limited to [the same percentage of its purchase price as applicable for the Relevant Selling Shareholder[s]' liability]/[a maximum of [number]% of its purchase price], and be subject to the same limitations and remedies as will be applicable to the Relevant Selling Shareholder[s]. Each other Shareholder shall, upon request by the Relevant Selling Shareholder[s], be obliged to pay the same percentage of its purchase price for the same time periods into an escrow account in favor of the acquirer as the Relevant Selling Shareholder[s]. Disclosures shall only limit the other Shareholders' liability if expressly agreed with the acquirer. Each other Shareholder shall be [severally, and not jointly, with the Relevant Selling Shareholder[s] and the other Shareholders]/[jointly and severally with each of the Relevant Selling Shareholder[s] and the other Shareholders] liable for the representations and warranties.
      3. [Each other Shareholder shall give the representations and warranties which the acquirer or the Relevant Selling Shareholder[s] may reasonably request[, reflecting such Shareholder's stake in and position with respect to the Company (*i.e.*, founder, senior manager, employee, passive investor, [*specify other*])].]
      4. [The representations and warranties the acquirer or the Relevant Selling Shareholder[s] may reasonably request may include, but must not be limited to, [representations and warranties as then customarily agreed or asked for in the context of a sale of companies at a stage and having a business activities similar or comparable to the Company].]
      5. Each Other Shareholder shall bear its own costs and taxes imposed on it.]

## Purchase Option

### Triggering Event and Terms

The Parties (for the purposes of this Section, "Option Parties") shall have an exclusive and irrevocable option ("Purchase Option") to purchase all Shares of another Party (for purposes of this Section, "Restricted Party") if any of the following events occurs (each, a "Triggering Event"):

* + - 1. the Restricted Party dies, becomes incapable to act or otherwise loses its capacity to act for a period of more than six months or otherwise permanently loses its capacity to exercise its rights and obligations under this Agreement;
      2. the Restricted Party becomes subject to an Insolvency Event;
      3. the Restricted Party commits a criminal act against the interests of a Party, of the Company or of any of its subsidiaries;
      4. the Restricted Party materially breaches this Agreement, unless such breach and its effects are fully cured within 20 calendar days upon notification in writing of the breach and its effects by any other Party; a material breach shall include, without limitation:

1. any delay in the payment of Shares subscribed for or payments into the reserves or loans to be granted to the Company pursuant to any written agreement; and
2. any Transfer, pledge or other encumbrance of Shares in violation of this Agreement;
   * + 1. the employment agreement between a Restricted Party and the Company is terminated and the Restricted Party is considered a Bad Leaver; or
       2. the employment agreement between a Restricted Party and the Company is terminated and the Restricted Party is considered a Good Leaver,

in each case with effect as per the occurrence of such Triggering Event and in proportion to the nominal value of their shareholdings in the Company or in such other proportions and/or other terms as they may agree in writing between themselves.

### Exercise and Consummation

The Restricted Party, its legal successor, receiver, insolvency judge or any other person with the right to act on behalf of the Restricted Party or its estate, shall notify the other Parties of the occurrence of any Triggering Event with respect to such Restricted Party. Upon receipt of such notice or upon a Triggering Event becoming known to the other Parties, such other Parties shall be entitled to purchase all or part of the Shares held by the Restricted Party, in proportion to the nominal value of their shareholdings or in such other proportions as they may agree in writing between them, and, in case of the occurrence of any of the Triggering Events pursuant to sub-paragraphs (a), (b) or (f) of Section 13.5.1, at the fair market value of the Shares. Without prejudice to any other rights or remedies, in case of the occurrence of any of the Triggering Events pursuant to sub-paragraphs (c), (d) or (e) of Section 13.5.1, the purchase price shall be the lower of the fair market value and the nominal value of the Shares.

If no agreement can be reached on the fair market value, the Restricted Party and each Option Party who exercised the Purchase Option in accordance with the third paragraph of this Section 13.5.2 may request its determination by [name of independent expert] as independent expert, or if such independent expert refuses or is not able to act, by an experienced international accounting firm appointed by the President of the Zurich Chamber of Commerce, ("Expert") on the basis of a valuation of the Company using methods customarily used at that time to establish the value of businesses in that industry, excluding any control premium for obtaining a majority of the voting rights in the Company or any block premium. The fair market value as determined by the Expert shall be binding and final on the Parties, unless based on calculation errors, in which case the fair market value as corrected by the Expert shall be binding. The Restricted Party, on the one hand, and the Option Parties who exercised the Purchase Option, on the other hand, shall each bear half of the costs of the Expert.

Each Option Party wishing to exercise its Purchase Option shall so notify the Restricted Party and the other Parties within 30 calendar days following receipt of notice of a Triggering Event or, as the case may be, following such Triggering Event becoming known to them, and, if no agreement on the fair market value can be reached with the Restricted Party within another 20 calendar days, shall thereafter commence the valuation procedure by mandating the Expert. The Transfer of Shares shall be consummated within 60 calendar days from the date of exercise of the Purchase Option or, if later, within 30 calendar days from receipt of the final determination of the fair market value from the Expert.

### Precedence over Right of First Refusal and Tag-Along Right

For the avoidance of doubt and notwithstanding anything to the contrary contained herein, Sections 13.2 and 13.3 shall not apply in case one or more Option Party exercises the Purchases Option.

## Limitation

Notwithstanding anything contained herein to the contrary, the Transfer restrictions under this Section 13 shall terminate and cease automatically upon completion of [a Sale or] an IPO of the Company.

# Share Register

## No Issuance of Share Certificates

The Shareholders acknowledge and agree that the Company will not physically issue share certificates. Rather, all holdings of Shares will be recorded in the Company's share register.

## Issue and Transfer of Shares / Registrations in Share Register

Accordingly, the issuance of Shares by the Company and Transfers of Shares in accordance with, and subject to, Swiss law, the Articles, and the terms and conditions hereof, will be effected solely by way of:

* + - 1. a duly executed assignment declaration from the Transferring Shareholder;
      2. the consent of the Board; and
      3. the registration of the relevant Party as a shareholder in the Company's share register.

Each Shareholder hereby *(i)* assigns and transfers to the other relevant Shareholders, and each such other relevant Shareholders hereby accepts such assignment and transfer, upon and with effect as of the occurrence of a Transfer event, in each case, as required to effect a Transfer of Shares by such Shareholder pursuant to Section 13, and *(ii)* undertakes to procure that the Director(s) nominated by such Shareholder execute their powers and voting rights on the Board so as to ensure that each Transfer of Shares in accordance with Section 13 and only such Transfer of Shares be approved by the Board and registered in the Company's share register.

# Accession and Release

[Each Shareholder]/[The Other Shareholders] undertake[s] to the [other Shareholders]/[Inves­tors] that no person or entity shall become a shareholder of the Company unless and until such person or entity shall first have executed an accession declaration pursuant to which such person or entity agrees to be fully bound by and be entitled pursuant to the terms and conditions of this Agreement in the same capacity (*i.e.*, as Investor, Founder or Other Shareholder) as the transferor or predecessor (in case of a transfer or succession) and such accession declaration shall state in what capacity such new shareholder is joining this Agreement (*i.e.*, as Investor, Founder or Other Shareholder). Each of the Parties agrees that any such accession declaration that is based on an acquisition of Shares permitted pursuant to this Agreement does not need to be signed by the Parties to this Agreement.

Any Party that ceases to be a shareholder of the Company in accordance with the provisions of this Agreement shall automatically cease to be a Party to this Agreement and shall be released from the provisions hereof; *provided* that such cessation and release shall be without prejudice to any accrued rights and obligations of the relevant Party existing at the time of such cessation and release and, for the avoidance of doubt, any restrictions and/or obligations contained in Sections 18.2 and 18.3 shall continue to apply as provided therein.

# [Liquidated Damages]

[The Parties acknowledge and agree that each Shareholder entered into this Agreement, and each Investor invested in the Company, by subscribing for Shares in the Company in reliance on the strict adherence by the other Shareholders to the terms and conditions of this Agreement. Any material violation of or non-compliance by any of the other Shareholders with any provision under Sections 2 to 15 [or Section 18.3] may cause irreparable harm to each of the Shareholders.

Accordingly, each of the Shareholders agrees that in addition to all other remedies that may otherwise be available to each of the Shareholders in any specific case, each of the other Shareholders being in material breach of any provision under Sections 2 to 15 [or Section 18.3] (it being understood that any breach of Section 6 or Section 13 [or Section 18.3] shall be deemed a material breach for purposes of this Section 16) shall be required to pay liquidated damages (Konventionalstrafe; clause pénale) to each of the non-defaulting Shareholders in the amount of CHF [amount] (or an equivalent in Shares in the Company at the sole discretion of the non-defaulting Shareholders) for each violation or breach. With respect to any violation or breach that is capable of being cured, liquidated damages shall only become payable if such violation or breach is not cured by the defaulting Shareholder within 30 calendar days after having been notified of such violation or breach by any of the non-defaulting Shareholders.

Notwithstanding the payment of the liquidated damages, the defaulting Shareholder *(i)* shall be liable to each of the non-defaulting Shareholders for any losses and damages incurred by such non-defaulting Shareholders in excess of its entitlement to the amount of CHF [amount] as set forth in the paragraph above (or an equivalent in Shares in the Company at the sole discretion of the non-defaulting Shareholders) (which entitlement shall be *pro rata* to the relevant non-defaulting Shareholder's shareholdings in the Company), and *(ii)* shall continue to be bound by the terms of the violated provision, for which each of the non-defaulting Shareholders may continue to seek specific enforcement and/or such other injunctive relief as may be granted by any court and/or arbitral tribunal of competent jurisdiction.]

# Term

This Agreement shall enter into force and become effective as of the day the Board ascertains by way of a Board resolution (Feststellungsbeschluss; constatations relatives à l'augmentation du capital) in the form of a public deed that the Capital Increase was duly effected, and shall continue to be effective and in force for an initial fixed term expiring at midnight on [date].

Thereafter, this Agreement shall continue to be in effect for successive periods of [five] years unless terminated by any Shareholder upon [twelve] months' prior written notice to all other Parties with effect as of midnight on the last day of the initial fixed term or the relevant [five]-year period. Any termination by a Shareholder shall only be effective with respect to the respective Shareholder, and shall be without prejudice to the continued binding effect of this Agreement for all other Parties.

Notwithstanding the foregoing, this Agreement shall be terminated:

* + - 1. automatically and with immediate effect upon the first trading day of the Company following an IPO; or
      2. upon notice of termination by the [other Shareholders]/[Investors (acting jointly)] to the affected Party, in case of an Insolvency Event, loss of capacity (Handlungsunfähigkeit; incapacité d'exercer les droits civils) and [specify other important reasons justifying termination, as appropriate] in respect of that affected Party; or
      3. for a specific Party upon such Party ceasing to be a shareholder of the Company in accordance with the terms and conditions of this Agreement;

(it being understood that in case of sub-paragraphs (b) and (c), such termination of this Agreement with respect to such Party shall be without prejudice to the continued binding effect of this Agreement for and among all other Parties).

# Miscellaneous

## Nature of Parties' Rights and Obligations

Except as specifically provided otherwise in this Agreement, the rights and obligations of the Parties hereunder shall be several (and not joint). Each of the Investors may exercise and enforce its rights hereunder individually in accordance with this Agreement, and the non-performance by the Company or another Shareholder ("Defaulting Party") shall neither relieve the Company nor any other Shareholder from performing its obligations under this Agreement, nor shall the Company (*provided* it is not the Defaulting Party) or any other Shareholder be liable for the non-performance by the Defaulting Party.

The obligations of the Parties hereunder are contractual in nature and the Parties agree that they do not form, and this Agreement shall not be deemed to constitute, a simple partnership (einfache Gesellschaft; société simple) pursuant to Art. 530 *et seq.* CO.

## Confidentiality

The existence as well as the terms and conditions of this Agreement, and any information exchanged among the Parties (including their respective representatives or advisors) in connection with their investment and common shareholdings in the Company and/or received from any Party and/or the Company's representatives pertaining to the business and the operation of the Company (all such information collectively "Confidential Information"), shall be kept strictly confidential by each Party. The Parties shall neither use in any form nor disclose to any third party any Confidential Information unless explicitly authorized by this Agreement. The Parties shall ensure that their employees, directors and any other representatives as well as the advisors of each Party to whom any such Confidential Information is entrusted comply with these restrictions.

Without limiting the generality of the foregoing, the term Confidential Information shall include in particular:

* + - 1. [any information regarding this Agreement, the investments made or to be made by each Investor in the Company and the commercial terms and conditions of the investments; and
      2. any trade secrets, financial or confidential information of the Company or any of the Investors.]

The term Confidential Information shall not include any information: *(i)* which as of the time of its disclosure by a Party was already lawfully in the possession of the receiving Party as evidenced by written records, or *(ii)* which at the time of the disclosure was in the public domain, or *(iii)* the disclosure of which was previously explicitly authorized by the respective Party.

The non-disclosure obligation shall not apply to any disclosure of Confidential Information required by law or regulations. In the event a disclosure of Confidential Information is required by law or regulations (including, without limitation, for tax, audit or regulatory purposes), the disclosing Party shall use all reasonable efforts to arrange for the confidential treatment of the materials and information so disclosed.

Each Party may use any Confidential Information in accordance with this Agreement. But, subject to the terms hereof, each Party acknowledges and agrees that any Confidential Information made available to it (including to any representative or advisor of such Party) by the Company or any other Party (including their representatives or advisors) hereunder shall not be used by such Party other than *(i)* as permitted under this Agreement, *(ii)* for the benefit of the Company, or *(iii)* for the respective Party's assessment of the Company or an exit, and shall not be exploited by or for the benefit of such Party or any of its Affiliates or third party.

Finally, it is acknowledged and agreed that each of the Investors will report regularly to its investors and/or any of its Affiliates on all information pertaining to the Company and the equity investment made or to be made in the Company in accordance with its reporting obligations under its fund investment documents or to the extent required for legal, tax, audit or regulatory purposes.

Nothing herein shall restrict the Company from granting third parties customary due diligence access for purposes of financial, commercial, strategic or similar transactions based on appropriate non-disclosure and non-use agreements.

## [Non-Competition/Non-Solicitation]

[Each [*specify capacity of Shareholder (i.e., Founder, Other Shareholder)* undertakes to the [other Shareholders]/[Investors] for the entire term of this Agreement and for a period of [number] years after termination of this Agreement that he/she will not without the prior written consent of the Board:

* + - 1. directly or indirectly engage as owner, investor, partner, consultant or employee in any business which is competitive with the Company's business activities as conducted in the ordinary course of business at the date of the relevant Shareholder exits from this Agreement (today: [description of current business], (the "Business")) in all countries where the Company at that time actively pursues such Business; or
      2. use directly or indirectly any knowledge acquired [as shareholder of the Company] for an activity competing with the Business of the Company; or
      3. on his own behalf or for any other person, firm or company directly or indirectly (companies or corporate bodies) actively offer employment to or actively procure employment for any person who is employed by the Company or actively solicit or induce any employee of the Company to leave his employment with the Company; or
      4. solicit, aid or induce any person, firm or company (companies or corporate bodies) which has been a customer of the Company or was or is in the habit of dealing with the Company, to stop using the services of or dealing with the Company in the manner in which such person, firm or company shall have been previously accustomed.

In case of any violation of this non-competition and non-solicitation clause, Section 16shall apply. Any continuing breach of this non-competition and non-solicitation clause of one month shall be deemed to be a new violation with a new contractual penalty as consequence.]

## Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective permitted successors and assigns; *provided*, however, that neither the Company nor a Shareholder [(other than an Investor)] shall be entitled to assign or transfer any of the rights or obligations hereunder to any other party except in case of a Permitted Transfer to Affiliates in accordance with Section 13.1 or with the prior written consent of each [Shareholder]/[Inves­tor].

## Costs and Expenses

It is agreed that [the Company]/[each Party] shall bear its own costs and expenses arising out of or incurred, and any taxes imposed on it, in connection with this Agreement and all transactions contemplated hereby.

[It is further agreed that the Company shall reimburse the Investors for all [reasonable] legal fees and expenses incurred by the Investors and their advisors in connection with the transactions contemplated by this Agreement [up to an amount not exceeding CHF [amount]. Such reimbursement shall be paid to the Investors within ten Business Days after the Full Consummation of the Capital Increase.]

For the avoidance of doubt, this Section 18.5 shall be without prejudice to Section [11.4] of the Investment Agreement with respect to all costs and expenses arising out of or incurred in connection with the transactions contemplated under the Investment Agreement.

## Notices

All notices and other communications made or to be made under this Agreement shall be given in writing by [email, ]fax or courier to the following addresses:

If to Investor 1: [contact details]

If to Investor n: [contact details]

If to Founder 1: [contact details]

If to Founder n: [contact details]

If to Other Shareholder 1: [contact details]

If to Other Shareholder n: [contact details]

If to the Company: Attn. Chairman of the Board  
[contact details]

[Alternative for notices to a larger number of Common Shareholders:

If to Common Shareholders: To [*the Company*], Attn. [CEO / Chairman]  
[*contact details*],  
who shall forward the notices and communications received without delay to each of the Common Shareholders]

Each Party may change or amend the addresses given above or designate additional addresses for the purposes of this Section 18.6 by giving the other Parties written notice of the new address in the manner set forth in this Section 18.6.

For the purpose of meeting a period or deadline by the sender, a notice shall be deemed made when dispatched by the sender. For the purpose of triggering the start of a period or deadline for the recipient, a notice shall be deemed made or received when it arrives at the recipient (Zugang; réception).

## Entire Agreement

With the exception of the Investment Agreement [and the non-disclosure agreement dated [date]], this Agreement including its Annexes constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes any agreement or understanding with respect to the subject matter hereof that may have been concluded between any of ]the Parties prior to the date of this Agreement[, except for the confidentiality agreement dated [date], which shall continue to apply to the extent that its provisions are more restrictive than those set out in Section 18.2].

[The Parties confirm that in addition to this Agreement, there are no side agreements relating to the subject matter hereof between any of them [that have not been disclosed to the other Parties and the terms of which may affect any of the rights granted to any of the Parties hereunder].]

## Severability

If at any time any provision of this Agreement or any part thereof is or becomes invalid or unenforceable, then neither the validity nor the enforceability of the remaining provisions or the remaining part of the provision shall in any way be affected or impaired thereby. The Parties agree to replace the invalid or unenforceable provision or part thereof by a valid or enforceable provision which shall best reflect the Parties' original intention and shall to the extent possible achieve the same economic result.

## Amendments

This Agreement (including this Section 18.9) may be amended only in writing by an instrument signed by all Parties.

For the avoidance of doubt, amendments or modifications of the Articles, Board Regulations, [Business Plan,] or other constitutive, organizational and governing documents shall not require an amendment of this Agreement, *provided*, however, that such amendment or modification is made in accordance with the provisions hereof including the consent requirements applicable for such amendments or modifications under this Agreement.

[Notwithstanding anything contained herein to the contrary, the Parties acknowledge and agree that this Agreement may be amended in writing by an instrument signed solely by all Investors (acting jointly) with binding effect on all other Parties; *provided*, however, that any such modification or amendment of any of the provisions of this Agreement shall neither affect any accrued rights of any other Party nor impose any greater liability or any more onerous obligation than those contained in this Agreement on the other Parties who do not sign such modification or amendment.]

## Waiver of Rights

No waiver by a Party of a failure of any other Party to perform any provision of this Agreement shall operate or be construed as a waiver in respect of any other or further failure whether of a similar or different character.

# Governing Law and [Arbitration]/[Jurisdiction]

## Governing Law

This Agreement shall in all respects be governed by and construed in accordance with Swiss law.

## [Arbitration]/[Jurisdiction]

[Any dispute, controversy or claim arising out of or in connection with this Agreement, including its conclusion, validity, binding effect, amendment, breach, termination or rescission shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers' Arbitration Institution in force on the date when the Notice of Arbitration is submitted in accordance with such Rules. The number of arbitrators shall be [one]/[three]. The seat of the arbitration shall be [Zurich]/[Geneva] and the arbitral proceedings shall be conducted in [English][; *provided* that evidence may be submitted to the arbitral tribunal in [German]/ [French]/[Italian] without translation into English].

[All disputes arising out of or in connection with this Agreement, including disputes regarding its conclusion, validity, binding effect, amendment, breach, termination or rescission shall be subject to the exclusive jurisdiction of the [ordinary]/[commercial] court[s] of the Canton of [canton of domicile of the Company], the venue being [city].]

\* \* \* \* \*

[*Signature page to follow*]

**IN WITNESS WHEREOF**, the Parties have signed this Agreement on the date first written above

[**Investor 1**]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Names:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Titles: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[**Investor n**]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Names:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Titles: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[**Founder 1**]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Names:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Titles: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[**Founder n**]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Names:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Titles: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[**Other Shareholder 1**]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Names:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Titles: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[**Other Shareholder n**]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Names:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Titles: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[**Company**]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Names: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Titles: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

List of Annexes

Annex 1: Defined Terms

Annex 3.1: Cap Table

Annex 4.2: Articles

Annex 4.3: Board Regulations

Annex 6: List of Important Shareholder and Board Matters

[Annex 8.1:] [Business Plan]

Annex 10.3.2: Anti-Dilution Adjustment Formula

[Annex 12.4:] [Registration Rights post IPO]

Annex 1

Defined Terms

"Affiliate" shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the person or entity specified and includes funds, investment vehicles or other entities formed or incorporated in any jurisdiction which are managed by any of the Investors.

"Agreement" shall mean this shareholders agreement dated as of [*date*] including the Preamble and its Annexes, as amended from time to time in accordance with its terms.

"Annex" shall mean an annex to this Agreement.

"Anti-Dilution Adjustment" shall have the meaning set forth in Section 10.3.2.

"Anti-Dilution Shares" shall have the meaning set forth in **Annex 10.3.2**.

["Approved Financing" shall have the meaning set forth in Section 9.2.]

"Articles" shall mean the articles of incorporation of the Company attached to this Agreement in **Annex 4.2** (as amended from time to time in accordance with the terms of this Agreement).

"Bad Leaver" shall mean a Restricted Party in case *(i)* his or her employment agreement has been terminated by the Company for an important reason (wichtiger Grund; juste motif) within the meaning of Art. 337 CO, or *(ii)* he has terminated his or her employment agreement other than for an important reason (wichtiger Grund; juste motif) within the meaning of Art. 337 CO.

"Board" shall mean the board of directors of the Company, as appointed from time to time in accordance with the terms of this Agreement.

"Board Regulations" shall mean the organizational regulations of the Company attached to this Agreement in **Annex 4.3** (as amended from time to time by the Board in accordance with the terms of this Agreement).

"Board Observer" shall have the meaning set forth in Section 5.10.

"Business" shall have the meaning set forth in Section 18.3.

["Business Plan" shall mean the business plan dated [date] attached hereto as **Annex 8.1** as adjusted or updated from time to time by the Board.]

"Capital Increase" shall have the meaning set forth in the Preamble B.

"Cap Table" shall have the meaning set forth in Section 3.1.

"CEO" shall mean the Chief Executive Officer of the Company appointed from time to time in accordance with this Agreement and the Board Regulations.

"Chairman" shall mean the chairman of the Board (*Verwaltungsratspräsident; président du conseil d’administration*).

"Change of Control" shall mean any Transfer of Shares in one or a series of related transactions that results in the proposed acquirer (including a Shareholder) holding, directly or indirectly, more than [50]% of the then issued share capital of the Company.

"CO" shall mean the Swiss Code of Obligations as of March 30, 1911, as amended.

"Common Shares" shall mean[, as of the date hereof, the common registered shares of the Company specified in **Annex 3.1** and thereafter shall mean] the common registered shares of the Company (Stammaktien; actions ordinaires) held by a Party hereto from time to time in accordance with this Agreement and the Articles.

"Common Shareholders" shall mean the Founders and the Other Shareholders.

"Common Shareholder Director" shall have the meaning set forth in Section 5.1(b).

"Company" shall have the meaning set forth on the front Page of this Agreement.

"Confidential Information" shall have the meaning set forth in Section 18.2.

"Defaulting Party" shall have the meaning set forth in Section 18.1.

"Director" shall mean each of the members of the Board appointed from time to time in accordance with the terms of this Agreement.

"Distribution" shall mean any distribution in the form of Dividends and/or proceeds resulting from a Liquidation.

"Dividend" and "Dividend Event" shall have the meaning set forth in Section 10.1.1.

"Dividend Preference" shall have the meaning set forth in Section 10.1.1.

"Drag-Along Event" shall have the meaning set forth in Section 13.4.2

"Drag-Along Notice" shall have the meaning set forth in Section 13.4.2

"Drag-Along Right" shall have the meaning set forth in Section 13.4.1.

"ESOP" shall mean employee stock ownership plan.

"Expert" shall have the meaning set forth in Section 13.5.2

["Finance Documents" shall mean [specify].]

"Founder" and "Founders" shall have the meaning set forth on the front Page of this Agreement.

"Full Consummation" shall mean that the Preferred Shares issued in connection with the Capital Increase have been registered in the commercial register in accordance with Section [7.4] of the Investment Agreement.

"General Meeting of Shareholders" shall mean any ordinary or extraordinary general meeting of Shareholders of the Company.

"Good Leaver" shall mean a Restricted Party in case his or her employment agreement has been terminated and he or she is not deemed to be a Bad Leaver.

["IFRS" shall mean the International Financial Reporting Standards, as promulgated by the International Accounting Standards Board (IASB).]

"Important Board Matters" shall have the meaning set forth in Section 6(b) (as set forth in Part B of **Annex 6**).

"Important Shareholder Matters" shall have the meaning set forth in Section 6(a) (as set forth in Part A of **Annex 6**).

"Independent Director" shall have the meaning set forth in Section 5.1(c)

"Insolvency Event" shall mean with respect to a Party, if such Party becomes insolvent, bankrupt, petitions or applies to any court, tribunal or other body or authority for creditor protection or for the appointment of, or there shall otherwise be appointed, any administrator, receiver, liquidator, trustee or other similar officer of such Party or of all or a substantial part of the such Party's assets.

"Investment Agreement" shall have the meaning set forth in the Preamble C.

"Investor" and "Investors" shall have the meaning set forth on the front Page of this Agreement.

"Investor Director" shall have the meaning set forth in Section 5.1(a).

"IPO" shall mean the initial public listing of Shares of the Company on an internationally recognized securities exchange, such as the official list of [specify suitable securities exchanges] or any other securities exchange or automated quotation system acceptable to the Investors.

"Liquidation" shall mean a voluntary or non-voluntary liquidation of the Company, a dissolution or winding up of the Company, or a Sale.

"Liquidation Preference" shall have the meaning set forth in Section 10.2.1.

"Management" shall mean the management of the Company to whom the day-to-day management may be delegated in accordance with the terms of this Agreement and the Board Regulations [and shall include [specify].

"Notice of Mandatory Conversion" shall have the meaning set forth in Section 11.2.

"Notice of Voluntary Conversion" shall have the meaning set forth in Section 11.1.

"Option Parties" shall have the meaning set forth in Section 13.5.1.

"Other Shareholder" and "Other Shareholders" shall have the meaning set forth on the front Page of this Agreement.

"Page" shall mean a page of this Agreement.

"Party" shall mean each of the Shareholders and the Company.

"Permitted Transfer" shall have the meaning set forth in Section 13.1(b).

"Purchase Option" shall have the meaning set forth in Section 13.5.1.

"Preamble" shall mean a preamble of this Agreement.

"Preference Amount" shall mean the sum of *(i)* the aggregate Subscription Amount paid by the respective holder of Preferred Shares and *(ii)* [number]% per year (to be calculated on the basis of the Subscription Amount paid and not yet compensated by a preferred payment) since payment of the Subscription Amount until the payment date of the relevant Distribution for which the Preference Amount is calculated, less any Distributions already received; whereby Distributions paid shall be allocated in the first priority to (ii) above and in the second priority to (i) above.

"Preferred Shares" shall mean preferred Shares (Vorzugsaktien; actions privilégiées) having the preferences set forth in this Agreement and the Articles.

["Qualified Exit Event" shall have the meaning set forth in Section 12.1.]

"Relevant Selling Shareholder(s)" shall have the meaning set forth in Section 13.4.2.

"Relevant Shares" shall have the meaning set forth in Section 13.2.2 and 13.3.2.

"Restricted Party" shall have the meaning set forth in Section 13.5.1.

"Right of First Refusal" shall have the meaning set forth in Section 13.2.1.

"Right of First Refusal Event" shall have the meaning set forth in Section 13.2.2.

"Right of First Refusal Exercise Notice" shall have the meaning set forth in Section 13.2.4.

"Right of First Refusal Notice" shall have the meaning set forth in Section 13.2.2.

"Sale" shall mean the sale, transfer or other disposal (whether through a single transaction or a series of related transactions) of the Shares that result in a Change of Control or the sale of all or [substantially all]/[a major part] of the Company's assets of the Company.

"Section" shall mean a section of this Agreement.

"Selling Shareholder(s)" shall have the meaning set forth in Section 13.2.2 and Section 13.3.2.

"Shareholder" shall mean each shareholder of the Company.

["Shareholder Loans" shall mean any loans or similar debt instruments granted by a Shareholder to the Company.]

"Shares" shall mean any shares from time to time issued by the Company (including, but not limited to Current Shares, Common Shares and Preferred Shares).

"Subscription Amount" shall have the meaning ascribed to this term in the Investment Agreement.

["Swiss GAAP" shall mean the Swiss Generally Accepted Accounting Principles (*FER – Fachempfehlungen zur Rechnungslegung; RPC – recommendations relatives à la présentation des comptes*).]

"Tag-Along Event" shall have the meaning set forth in Section 13.3.2.

"Tag-Along Exercise Notice" shall have the meaning set forth in Section 13.3.4.

"Tag-Along Notice" shall have the meaning set forth in Section 13.3.2.

"Tag-Along Right" shall have the meaning set forth in Section 13.3.1.

"Transfer" (or "Transferred", "Transferring" "Transferable") shall mean any sale, assignment, pledge, encumbrance or any other disposal or transfer of Shares by contract, inheritance, court order or by operation of law.

"Triggering Event" shall have the meaning set forth in Section 13.5.1.

["Vice-Chairman" shall mean the vice-chairman of the Board.]

"WAIP" shall have the meaning set forth in **Annex 10.3.2**.

Annex 3.1

Cap Table

Attached.

Annex 4.2

**Articles**

Attached.

**Annex 4.3**

**Board Regulations**

Attached.

**Annex 6**

**List of Important Shareholder and Board Matters**

**Part A – Important Shareholder Matters**

Each of the following decisions shall be an Important Shareholder Matter and shall require the consent requirements set forth in Section 6(a) of the Agreement:

* + - 1. any amendment of the Company's [Articles or its] corporate purpose;
      2. any creation of shares with preferential rights of any kind, shape or form or with privileged voting rights;
      3. any restriction of the transferability of shares;
      4. any authorized or conditional capital increase;
      5. any increase of capital against the Company's equity, against contributions in kind, or for the purpose of acquiring assets or the granting of special benefits;
      6. any limitation or withdrawal of subscription rights;
      7. any change of [the corporate name or] registered office of the Company;
      8. [any sale of all or substantially all of the assets of the Company;]
      9. [any merger, demerger or similar reorganization of the Company;]
      10. the liquidation of the Company;
      11. [any resolution on Dividend payments or other distributions to the shareholders;]
      12. [the election of the auditors of the Company;] and
      13. [specify additional Important Shareholder Matters as appropriate].

**Part B – Important Board Matters**

Each of the following decisions shall be an Important Board Matter and shall require the consent requirements set forth in Section 6(b) of the Agreement:

* + - 1. [any acquisition of a business or any part thereof (whether a share or asset transaction);]
      2. [the sale, disposal or transfer of all or substantially all of the Company's business and/or assets;]
      3. [the proposal by the Board to the shareholders to approve a transfer of the Company's shares where the transfer of shares results in the acquirer holding, directly or indirectly, more than [*number*]% of the then issued share capital or voting rights in the Company;]
      4. [the entering into any joint venture or partnership or any profit sharing agreement (other than routine arrangements wholly within the ordinary course of business);]
      5. [any investment, capital expenditure, sale of assets, incurrence of debt or any contract obligation by the Company in excess of CHF [*amount*] (whether by a single transaction or a series of related transactions) unless such expenditure has been specifically provided for in the Budget and Business Plan;]
      6. [the execution of any agreement providing for obligations in excess of CHF [*amount*] (whether by a single transaction or a series of related transactions), save as specifically set forth in the Budget and Business Plan;]
      7. [the appointment and removal of the Company's CEO and all other members of the Management;]
      8. [the approval of the Budget and Business Plan, and any change thereto;]
      9. [the listing of shares of the Company on any securities exchange or automated quotation system;]
      10. [the issuance of shares or equity-related securities out of the Company's authorized or conditional share capital (including the determination of the issue price, the date for the entitlement for dividends and the type of contribution therefor), except [as contemplated under the Company's ESOP or] in respect to any shares issued in accordance with the anti-dilution provisions under this Agreement;]
      11. [the creation of any security interests upon any part of the Company's property or assets in any form whatsoever exceeding CHF [*amount*] in aggregate (whether by a single transaction or by a series of related transactions) save as set forth in the Budget and Business Plan;]
      12. [any related-party transactions or arrangements including variations thereof;]
      13. [any transactions or arrangements other than on arm's-length terms and/or in the ordinary course of business;]
      14. [the approval and amendment of any share option plan and option and/or share grants to the Management[, except as set forth in the Company's ESOP];]
      15. [any material change in accounting policies or principles save with the prior approval of the Company's auditors;]
      16. [any purchase by the Company of any of its own shares or the exercise of a right of first refusal in combination with the designation of a third party acquirer;]
      17. [any proposed transfer of Shares other than in accordance with Section 13 of this Agreement;]
      18. [*specify additional Important Board Matters as appropriate*]; and
      19. any amendment or modification of the Board Regulations.

#### **[Annex 8.1]**

**[Business Plan]**

[Attached.]

**Annex 10.3.2**

**Anti-Dilution Adjustment Formula**

**Broad Based Weighted Average Ratchet**

The anti-dilution mechanism shall be a broad based weighted-average ratchet with no offset for par value paid while subscribing for anti-dilution shares (the "**Anti-Dilution Shares**"). The weighted average issue price ("**WAIP**") and number of Anti-Dilution Shares shall be calculated using the following equations:



Where,

*PB* = share issue price of the dilution round (*i.e.*, the round triggering dilution);

*S* = total no. of Shares (fully diluted) prior to the dilution round;

*SA*  = total no. of Preferred Shares issued under the Investment Agreement (*i.e.*, [*total no. of Preferred Shares*];

*SB* = total no. of Shares of the dilution round (*i.e.*, the round triggering dilution);

*I* = total of all equity investments received by the Company against the issuance of Shares;

*IA*  = total investment amount under the Investment Agreement (*i.e.*, CHF [*total investment amount*]); and

*IB* = total investment amount of the dilution round (*i.e.*, the round triggering dilution) = PB x SB.

**[Annex 12.4]**

**[Registration Rights post-IPO]**

[Attached.]