**MODEL CONVERTIBLE LOAN AGREEMENT 1.0**

***[version including comments, proposals and explanations]***

*published on 16/10/2025*

***Introduction***

This version convertible loan agreement (“**CLA**”) is our first attempt to create common ground for low-cost, fast and easily accessible fundraising, which will especially help early-stage startups and angel investors, who in particular do not have experience and/or funds to get entangled in complex negotiations and legal paperwork.

In order to simplify and distinguish our CLA from ones currently used, we have removed a lot of provisions that if needed, can be reinstated into any form of side letter between the company and the investor(s), which is a common practice used to keep the main template as unified on the market (or within the company) as reasonably possible. Examples of such side letters are pro-rata rights in the upcoming financing round, fund specific obligations stemming from public source of funding (prohibited business areas or markets) and last but not least – reporting obligations of the Company towards the investors.

The main conversion mechanism was based on how post-money valuation cap & discount SAFE used to work.

Parts that must be filled by the parties to this CLA are **[marked in yellow]**. In the comment section, we have provided [**COMMENTS**] on how specific provisions work.

Please also note that this CLA was prepared for a polish *spółka z ograniczoną odpowiedzialnością*, but it can be easily adapted to *spółka akcyjna* as well. Adapting it to *prosta spółka akcyjna* requires more modifications in terms of shareholding structure and corporate governance.

What are our plans for next version? Translating to polish, shortening, simplifying (both language and specific provisions) as well as implementing all comments and feedback we’ll receive in weeks and months following publication. We are also considering making separate versions that’ll include discount only and valuation cap only (inspired how SAFE currently works).

**A version that is clear of any comments and the introductory part is available on:**

[**https://standardy.startuppoland.org/baza-dokumentow/**](https://standardy.startuppoland.org/baza-dokumentow/)

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**THIS** **CONVERTIBLE LOAN AGREEMENT**

(hereinafter as the “**Agreement**”)

is made on [●] (the “**Effective Date**”) by and between:

1. **[full company name]** with its registered office in [city], [full address], a company established under the laws of Poland, entered into the [name of the commercial register] maintained by [authority/court] under no. [KRS], [NIP], [share capital], email: [address] (hereinafter as the “**Company**”),

**and**

1. **[name and surname]** domiciled in [city] at [full address], citizen of [country], having [PESEL or other data identifying a natural person like passport or ID number if that person does not have PESEL], email: [address] (hereinafter as the “**Founder 1**”);
2. **[name and surname]** domiciled in [city] at [full address], citizen of [country], having [PESEL or other data identifying a natural person like passport or ID number if that person does not have PESEL], email: [address] (hereinafter as the “**Founder 2**”);

(Founder 1 and Founder 2together jointly as the “**Founders**” and each of them as the “**Founder**”);

**AND**

1. **[full company name]** with its registered office in [city], [full address], a company established under the laws of [country], entered into the [name of the commercial register] maintained by [authority/court] under no. [register number], [other data identifying the company], email: [address] (hereinafter as the “**Investor 1**”);
2. **[full company name]** with its registered office in [city], [full address], a company established under the laws of [country], entered into the [name of the commercial register] maintained by [authority/court] under no. [register number], [other data identifying the company], email: [address] (hereinafter as the “**Investor 2**”);

(Investor 1 and Investor 2 together jointly as the “**Lenders**” and each of them as a “**Lender**”)

**[AND]**

1. [[●] (hereinafter as the “**Shareholder 1**”)]
2. [[●] (hereinafter as the “**Shareholder 2**”)]

[(Shareholder 1 and Shareholder 2 together jointly as the “**Qualified Shareholders**)]

(The Company, [the Qualified Shareholders] the Founders, and the Lenders are jointly referred to as the “**Parties**”and each of them as a “**Party**”)

**SUMMARY OF KEY INVESTMENT TERMS:**

* + - 1. Loan of the Investor 1: [●]
      2. Loan of the Investor 2: [●]
      3. Maturity Date: [●]
      4. Interest: [●]
      5. Valuation Cap: [●]
      6. Discount: [●]
      7. Company’s Bank Account: [●]

**WHEREAS:**

1. The Lenders want to provide the Company with funds through loan facilities, which, upon the occurrence of certain events, will convert into the Company’s ordinary shares on the terms prescribed herein.
2. The purpose of this Agreement is to set out the terms of the Lenders’ investment into the Company through loan facilities and the conversion of the receivables under the Loans into the Company’s equity/shares.

**IT IS AGREED AS FOLLOWS:**

1. **INTERPRETATION**
   1. The following definitions apply in this Agreement (unless the context requires otherwise):
      1. “**Articles**” means the articles of association of the Company, as amended from time to time, including the Articles to be amended in connection with the Qualified Financing;
      2. “**Bank Account**” means the Company’s bank account maintained by [bank full name] in [currency] with the following number: [bank number];
      3. “**Business**” means the business of the Company (as carried out by the Company from time to time) and any business activities that have been approved formally by the Management Board or other corporate body of the Company, including the business activities consisting in [business description];
      4. “**Business Day**” means days from Monday to Friday, excluding public holidays in Poland as well as 2nd May and 31st December;
      5. **“Change of Control Event”** means the occurrence of any one or more of the following, resulting in any person or persons acting in concert acquiring Control:
         1. any sale or other disposition (including Encumbrance if having a similar effect) of more than 50% Shares in the Company’s share capital; or
         2. any sale or other disposition (including Encumbrance if having a similar effect) of an enterprise or organized part of an enterprise or all or substantially all of the assets of the Company essential for pursuing the Business;
         3. any sale or exclusive license or other disposition (including Encumbrance if having a similar effect, excluding any non-inclusive licenses granted in the usual course of business) of all or substantially all IP Rights;
      6. “**Closing**” means the date on which any new investment agreement, an annex to the current Investment Agreement or any other agreement relating to any subsequent investments into the Company is executed;
      7. “**Confidential Information**”means information:
         1. in whatever form (including without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located); and
         2. relating to the Party’s business affairs, technology, trade secrets, patented processes, research and development data, know-how, market studies and forecasts, competitive analyses, pricing policies, employee/consultants lists, employment agreements and consultancy agreements, personnel policies, the substance of agreements with customers, suppliers and others, marketing arrangements, customer lists, commercial arrangements and contractual relationships, algorithms, software programs, software source documents, and formulae related to the current, future, and proposed products and services of the Party, or any other information relating to the Party’s business; and
         3. that is not generally known to the public/is confidential and/or constitutes trade secrets, whether such information (if in anything other than oral form) is marked confidential, and all other information that the Lender knew, or reasonably should have known, was the Confidential Information of the Company.
      8. “**Contribution**” means the cash contribution to be made by the respective Lender for the Conversion Shares, equal to the relevant number of Conversion Shares multiplied by the applicable Conversion Price, lowered in each case by any withholding tax that Company paid because of the conversion (if any);
      9. **“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, whether through the ownership of majority of voting shares, or majority of votes at a shareholders’ meeting, the right to appoint a majority of representatives in the management board, and the terms “**Controlled by**” or “**under common Control with**” shall be understood accordingly;
      10. “**Conversion Capitalization**” means Fully-Diluted Shares in the Company prior to the Qualified or Non-qualified Financing and/or, a Change of Control Event, and/or Maturity Conversion, as the case may be;
      11. “**Conversion Date**” means the date: (i) agreed by the Parties (in connection with the Closing) on or before the Maturity Date in connection with the Qualified Financing; or (ii) as otherwise agreed between the Parties upon the Maturity Date in connection with the conversion occurring upon the Maturity Date or (iii) as otherwise agreed between the Parties upon the Change of Control Conversion occurring upon Change of Control Event;
      12. “**Conversion Price**” means a price per Share which entitles a Lender to the Company’s Shares at a price per Conversion Share equal to:
          1. in the event of the conversion occurring in connection with the Qualified Financing, the lower of:
             1. **[number]%** of the lowest price per Share paid by the new investor(s) for the Shares issued in the Qualified Financing (i.e., at the discount of **[number]%**), or
             2. the quotient obtained by dividing (x) the Valuation Cap by (y) the Conversion Capitalization

(the “**QF Conversion Price**”)

* + - 1. in the event there is no Qualified Financing by the Maturity Date – the price per Conversion Share shall be the equivalent the quotient obtained by dividing (x) Valuation Cap by (y) the Fully Diluted Shares (the “**MD Conversion Price**”);
      2. in the event of the conversion occurring in connection with the Change of Control, the lower of:
         1. **[number]%** of the lowest price per Share paid for the Shares in the Change of Control transaction (i.e., at the discount of **[number]%**), or
         2. the quotient obtained by dividing (x) Valuation Cap by (y) the Fully-Diluted Shares

(the “**CoC Conversion Price**”)

* + 1. “**Conversion Shares**” means the number of Shares (being ordinary Shares at the nominal value of PLN **[value]** each) to be issued to and subscribed for by the given Lender, equal to the Investment Amount divided by the relevant Conversion Price (rounded to the nearest whole number);
    2. “**Encumbrances**” means a charge, pledge, participation, lien, registered pledge, option, restriction, right of first refusal, other right to pre-emption, third-party right or other encumbrance or security interest save for any encumbrances stemming from the Articles or the applicable law, the verb “**to Encumber**” and term “**Encumbered**” are to be understood accordingly;
    3. “**Event of Default**” means any of the following events:
       1. the Company has failed to pay any due liabilities towards its creditors for more than 180 Business Days of the respective payment deadline, and the Company has failed to remedy such default within 30 (thirty) days of receipt of a written notice from a Lender Majority demanding repayment of those liabilities;
       2. all or substantially all assets of the Company are seized under the applicable law or enforcement proceedings (regulated by the applicable law) are formally otherwise initiated against all or substantially all of its assets and such seizure or enforcement proceedings are not withdrawn or levied within 180 (one hundred eighty) Business Days;
       3. the Company and the Founders have failed to perform their specific obligations (that lie within their powers) (defined in this Agreement and assigned to them specifically) (despite them being specifically obligated to perform those obligations) to carry out the conversion under this Agreement for the reasons attributable to any of them (as a result of which the Lenders have not been offered Conversion Shares), and that failure has not been remedied by the Company and/or the Founders within 20 (twenty) days of receipt of a written notice from a Lender Majority demanding performance of those obligations under this Agreement;
       4. breach (being understood as a representation or warranty being untrue) of Warranties resulting in lowering the Company’s fair market value by more than [amount]%, which breach is not remedied by Company or Founder within 20 (twenty) days of receipt of a written notice from a Lender Majority demanding the remedy.
    4. “**Fully-Diluted Shares**” means all issued and outstanding Shares of the Company, including but not limited to: (i) all Shares existing as of the date of this Agreement; (ii) all securities convertible or exercisable into Shares of the Company (being deemed so converted); (iii) all convertible investments, financing or loans, including Other Loans (being deemed so converted); (iv) all options and other rights to acquire the Company's Shares or securities exercisable for Company's Shares (being deemed allocated and exercised); (v) any adjustments of the number of issued Shares of the Company triggered by or in connection with the transaction contemplated by this Agreement (if any), including anti-dilution adjustment; and (vi) any Shares, options or other equity awards promised, granted and/or allocated to employees, consultants, advisors and service providers of the Company or its subsidiaries (being deemed issued, converted granted and/or exercised), including the any share option plan or ESOP existing or planned to implemented in the Company, provided that in each case, the Fully Diluted Shares shall exclude any Shares to be issued at any Qualified Financing;
    5. “**Investment Amount**” means the amount of the respective Loan principal (disbursed and actually received by the Company) along with all unpaid Interest as accrued on that Loan principal as of the respective Conversion Date, lowered in each case by any withholding tax that Company paid as a result of the conversion (if any);
    6. “**IP Rights**” means proprietary copyrights (including rights to computer programs), the rights of protection for trademarks, service marks, rights to business names of companies, inventions, patents for inventions, rights to inventions, rights of protection for utility models, rights from registration of the industrial designs, rights to databases and similar rights, rights for internet domains, rights for source codes for computer programs, rights to business secrets (including know-how), confidential information, rights to acquire exclusive rights, derivative rights (*Polish: prawa zależne*), obligations of authors not to exercise their moral rights (*Polish: prawa autorskie osobiste*), rights of priority related with exclusive rights and other intellectual property rights (including industrial property rights) and other rights (including those given on the grounds of license) to the above subjects of the intellectual property as works protected by the copyright, inventions, utility models, industrial designs or trademarks, as well as all intangible rights and privileges of a nature similar or allied to any of the foregoing, in every case in any jurisdiction and whether or not registered; and including all granted registrations and all applications for registration in respect of any of the same;
    7. “**Lender Majority**” means the Lenders representing at least a majority of the aggregate principal amount of the Loans then outstanding hereunder;
    8. “**Loss**” means actual loss (*szkoda rzeczywista*) within the meaning of the Civil Code and in any event excluding lost profits (*utracone korzyści*);
    9. “**Management Board**” means the management board of the Company;
    10. “**Maturity Date**” means [date];
    11. “**New Shares**” has the meaning as in Clause 4.1(d) below;
    12. “**Non-Qualified Financing**” means any bona fide equity transaction with the principal purpose of raising capital by the Company (excluding any loans or other instruments received by the Company converting into Shares) which does not meet conditions of the Qualified Financing
    13. "**Other Loan**” means other loan(s) convertible into Shares, on the terms substantially the same as the terms of this Agreement as approved by the Company and executed by the Company prior to the Qualified Financing or the Maturity Date (as applicable);
    14. “**Qualified Financing**” means a bona fide equity transaction with the principal purpose of raising capital by the Company (excluding any loans or other instruments received by the Company converting into Shares), pursuant to which the Company issues Shares following the date of this Agreement but prior to the Maturity Date which results in proceeds to the Company amounting to at least [currency] [amount], other than: (i) any share issue or other instruments convertible into Shares resulting from the exercise of the incentive scheme as implemented by the Company; or (ii) the Loans converting upon the Qualified Financing or any Other Loan(s) received by the Company and convertible into Shares;
    15. “**Related** **Entity**” means:
        1. In relation to a natural person (a “**Relevant Natural Person**”): (i) ascendants and descendants up to first degree, sibling, spouse or current (*aktualny na dany dzień*) partner running a joint household (*konkubent*), or a person related by adoption, custody or care (the “**Close Family**”), or (ii) any entity or person directly or indirectly Controlled by that Relevant Natural Person;
        2. in relation to a person or entity that is not a natural person: (i) any other entity or person who directly or indirectly Controls, is Controlled or is under common Control with that person or entity;
    16. “**Rounding Mechanism**” has the meaning as in Clause 7.2 below;
    17. “**Share**” means a share in the share capital of the Company, with the nominal value of [amount] PLN each;
    18. “**Shareholder**” means a shareholder of the Company;
    19. “**Shareholders’ Meeting**” means the Shareholders’ meeting of the Company convened pursuant to its Articles (as in force at the given time) and the Polish Commercial Companies Code.
    20. “**Warranties**” has the meaning as in Clause 2.8 below.
    21. “**Valuation Cap**” means with respect to:
        1. Qualified Financing - [currency] [amount];
        2. Maturity Conversion or Change of Control Conversion – [currency] [amount].
  1. When the day on or by which a payment is due to be made is not a Business Day, that payment shall be made on or by the next Business Day in that calendar month (if there is one).
  2. In this Agreement, unless the context otherwise requires:
     1. a reference to Clause is a reference to that clause of this Agreement;
     2. any reference to “**in writing**” or “**written form**” (*na piśmie, forma pisemna*) also includes a statement of will (*oświadczenie woli*) or knowledge (*oświadczenie wiedzy*) referred to in Article 78(1) of the Polish Civil Code i.e. electronic form (*forma elektroniczna) (that is with a qualified electronic signature*) and sent via email as well as any form of statement of will (*oświadczenie woli*) or knowledge (*oświadczenie wiedzy*) referred to in Article 77(2) of the Polish Civil Code (*forma dokumentowa*);
     3. the headings are inserted for convenience only and do not affect the construction of this Agreement.

1. **THE LOAN**
   1. On the terms of this Agreement, each Lender agrees to make available to the Company, a convertible loan in the following amounts:
      1. Investor 1 – [currency] [amount] in total;
      2. Investor 2 – [currency] [amount] in total;

each further referred to as a “**Loan**” and jointly as the “**Loans**”,

and the Company accepts such Loans from the Lenders.

* 1. Each Loan shall be made available by the respective Lender to the Company in one disbursement within 10 Business Days following the Effective Date, unless any later date has been indicated by the Company to that Lender (in writing).
  2. If any of the Investor fails to disburse his respective Loan to the Company within the time limits specified in Section 2.2 above, then the Company shall have the right to rescind (*Polish: odstąpić od*) this Agreement by serving a notice to that Investor. The right to rescind may be exercised within 30 (thirty) days from ineffective lapse aforementioned period.
  3. Each Loan shall be made in cleared funds to the Bank Account. Each Loan, once disbursed to the Company, shall be irrevocable.
  4. No Loan may be prepaid or repaid without the consent of the respective Lender (who granted that Loan).
  5. The Company and the Founders (in their capacity as members of the Management Board and so far as it lies within their respective powers as the Management Board members to do so) undertake that the Loans shall be used solely in the furtherance of or in connection with the Business.
  6. Except as expressly provided otherwise herein or as otherwise agreed upon between all the Parties, the Parties agree that the conversion will be the only possible way of repaying the Loans with accrued interest, which means that no Lender will be entitled to request the Company to repay the respective Loan with accrued interest or any part thereof in any form other than by way of the conversion in accordance with the terms and conditions set forth herein.
  7. The Company and the Founders provide Lenders with representations and warranties concerning the key areas of the Company’s operations (“**Warranties**”), attached hereto as **SCHEDULE no. 1**.
  8. [The Qualified Shareholders undertake to take all factual and legal actions necessary for the proper performance of the Company and Founders' obligations under the agreement, in particular as regards the conversion of Loans into shares].

1. **INTEREST**
   1. Interest shall be accrued on each Loan from time to time outstanding at the rate of **[number]%** per annum (the “Interest”) from the date of receipt by the Company of the respective Loan in full onto the Bank Account up to and including the respective Conversion Date. In no case shall the interest be capitalized.
   2. The Interest shall accrue daily and shall be calculated annually based on a year of 365 days, and for the actual number of days elapsed. The Interest shall be due and payable upon the applicable date specified in Clause 3.1 above.
2. **CONVERSION UPON QUALIFIED & NON-QUALIFIED FINANCING** 
   1. Upon or in connection with (as agreed upon by the Parties) the Closing of the Qualified Financing, the Investment Amount of the relevant Lender, including: (i) the disbursed and outstanding principal of the respective Loan; and (ii) accrued unpaid Interest (as accrued on the respective disbursed Loan up to the Conversion Date) shall be converted into fully paid Conversion Shares at the QF Conversion Price by way of a share capital increase of the Company with the Conversion Shares being issued by the Company to the respective Lender. To that end, the Parties agree to undertake the following actions:
      1. at least 5 (five) Business Days before the completion of the Qualified Financing, the Company shall notify each Lender in writing of the planned completion of the Qualified Financing (the “**Financing Notice**”);
      2. the Founders, the Company, each Lender, and the investors taking part in the Qualified Financing shall enter into a new investment agreement, an annex to any current investment agreement relating to the Company (if applicable) or any other agreement regarding the Qualified Financing, as the case may be;
      3. the Founders (acting in their capacity as members of the Management Board) shall convene the Shareholders’ Meeting, unless the Shareholders’ Meeting is held without being formally convened;
      4. the Shareholders’ Meeting shall adopt the following resolutions: (i) on the increase of the share capital of the Company by the issuance of new Shares (the “**New Shares**”) (the “**Share Capital Increase**”), including the Conversion Shares; (ii) on the waiver of the pre-emption rights to subscribe for the New Shares for all the Shareholders, including the Conversion Shares; (iii) on the offer of the respective number of the Conversion Shares to the respective Lender; (iv) on the adoption of the amended Articles (if applicable);
      5. each Lender shall subscribe and submit to the Company a duly signed statement on the subscription for the Conversion Shares (in the form of a notarial deed) in exchange for the Contribution as calculated in accordance with Clause 1.1(h) above and on accession to the Company (if applicable);
      6. following the subscription for the Conversion Shares by the respective Lender, that Lender and the Company shall enter into a set-off agreement as agreed to by the respective Parties, pursuant to which the respective receivables of that Lender towards the Company resulting from this Agreement (with respect to the respective Investment Amount) will be set off against the receivables of the Company towards that Lender to make the Contribution.
   2. Following the Financing Notice, the Company and the Founders (acting in their capacity of members of the Management Board and so far as it lies within their respective power of the Management Board members to do so) shall take all necessary actions, including obtaining all necessary approvals for a capital increase and issuance of the Conversion Shares, to allow for the conversion to take place as prescribed hereunder.
   3. Each Lender understands and agrees that the conversion of the respective Investment Amount into Conversion Shares will require that Lender’s execution of certain actions and agreements, including those relating to the subscription for the Conversion Shares. Each Lender hereby agrees to subscribe for the Conversion Shares to be issued by the Company in accordance herewith and execute the respective set-off agreement as prescribed above.
   4. The Conversion Shares issuable at Qualified Financing shall be issued free of any Encumbrances credited as fully paid ordinary Shares and will rank *pari passu* in all respects with the Shares to be issued in connection with the Qualified Financing. The Conversion Shares issuable at Qualified Financing shall carry the same rights as the Shares issued to the investors in Qualified Financing and shall be of the same class/series/type as the Shares issued to the investors participating in Qualified Financing.
   5. Upon or in connection with (as agreed upon by the Parties) the Closing of the Non-qualified Financing, each Lender may decide to request a conversion of his relevant Investment Amount, including: (i) the disbursed and outstanding principal of the respective Loan; and (ii) accrued unpaid Interest (as accrued on the respective disbursed Loan up to the Conversion Date) shall be converted into fully paid Conversion Shares. Such conversion be completed accordingly to rules set out for conversion resulting from Qualified Financing (i.e. sections 4.1 – 4.4).
3. **CONVERSION UPON THE MATURITY DATE**
   1. If there is no Qualified Financing completed before the Maturity Date, the outstanding Investment Amount of the respective Lender, including: (i) the disbursed and outstanding principal of the respective Loan; and (ii) accrued unpaid Interest (as accrued on the respective Loan principal up to the Maturity Date (inclusive)) will convert into the respective number of the Conversion Shares at the MD Conversion Price (the “**Maturity Date Conversion**”).
   2. The Maturity Date Conversion shall take place in accordance with Clause 4 above accordingly, not later than within 20 (twenty) Business Days following the Maturity Date (unless otherwise agreed upon between the Parties). Clause 4 shall apply to the Maturity Date Conversion accordingly, including with respect to the obligations of the Company to carry out a share capital increase by way of new share issue to enable each Lender to subscribe for the Conversion Shares at the MD Conversion Price as prescribed herein.
   3. The Conversion Shares issuable to the respective Lender upon the Maturity Date Conversion shall be issued free of any Encumbrances credited as fully paid ordinary Shares, and will rank *pari passu* in all respects with the Shares held by the current investors of the Company before the Maturity Date Conversion or, if there are none – such rights, preferences, and privileges as are consistent with venture capital market standards for early-stage equity investments, as shall be reasonably agreed between the Company and the Lenders.
4. **CHANGE-OF-CONTROL CONVERSION**
   1. On or before the Maturity Date, before to entering into any transaction that would result in a Change of Control Event, the Company shall deliver to the Lenders a notice of such event, as soon as practicable but no later than 10 (ten) Business Days after the date the Company first becomes aware of such offer or proposed Change of Control Event, and in any case at least 30 (thirty) Business Days before the closing of Change of Control Event.
   2. Upon receipt of notice of a Change of Control Event, the Investment Amounts shall be converted into Conversion Shares, the number of which shall be determined by dividing the respective Investment Amount by the CoC Conversion Price, subject to the Rounding Mechanism. The Change of Control Conversion shall take place under Clause 4 above accordingly.
5. **OBLIGATIONS OF THE PARTIES AND OTHER ARRANGEMENTS RELATING TO THE COMPANY**
   1. The Company shall always ensure that any claims of a Lender against the Company under this Agreement rank at least *pari passu* with the claims of all its other creditors, including those under other convertible loans of the Company (if any), except those creditors whose claims are mandatorily preferred by applicable laws. If the Loans are outstanding i.e., have not been repaid nor converted into the Company’s equity as prescribed herein, the Company shall not enter any secured loans that will have priority over/will be senior to the Loans.
   2. No fractional Shares shall be issued upon conversion of the Loan. The total number of Conversion Shares to be issued to the respective Lender upon any conversion of Loan under this Agreement shall be rounded mathematically to the nearest whole number (i.e. up if 0.5 or more, and down if less than 0.5), and thereafter the final total Conversion Price for all Conversion Shares shall be adjusted accordingly (decreased or increased) to exclude any Borrower’s repayments or Lender’s additional payments for Conversion Shares, as the case may be (the “**Rounding Mechanism**”).
   3. By entering into this Agreement, each Lender confirms and accepts that upon the conversion of the respective Investment Amount into Conversion Shares the Articles become binding on and effective with respect to that Lender, and that Lender agrees to (i) be subject to the rights and obligations of a Shareholder arising out of and/or resulting from the Articles (save for any amendments to the Articles to be made in connection with the conversion and the Qualified Financing, if applicable) and (ii) enter into any in an investment agreement or other agreement relating to the Qualified Financing that is entered into by the Company and any new investors as a result of the Qualified Financing or become a party to the investment/shareholders’ agreement binding on the Shareholders upon the Maturity Date Conversion.
   4. Prior to the Qualified Financing or the Maturity Date, the Company may enter into Other Loans on the terms substantially the same as the terms hereof. If the Other Loans include economic terms more favourable than those under this Agreement (a valuation cap and/or discount) prior to termination of this Agreement, the Company will promptly provide each Lender with written notice thereof, together with a copy of such Other Loan document (the “**MFN Notice**”) and, upon written request of the respective Lender, any additional information related to such Other Loans as may be reasonably requested by a Lender. In the event the respective Lender determines that all terms of the Other Loans are preferable to the terms of this Agreement, that Lender will notify the Company in writing within 10 (ten) days of the receipt of the MFN Notice. Promptly after receipt of such written notice from that Lender, the Company agrees to amend and restate this Agreement (with respect to that Lender) to be identical to the instrument(s) evidencing that Other Loan.
6. **LIABILITY**
   1. The aggregate liability of the Company and Founders in respect of all and any claims under and/or in connection with this Agreement shall be limited with respect to each Lender to the respective Loan actually released to the Company by that Lender pursuant to this Agreement provided that no liability cap set out above shall apply to a claim which is the consequence of fraud, wilful misrepresentation, wilful misconduct or illegal acts.
7. **CONFIDENTIALITY**
   1. Each Party agrees that it will keep secret and confidential and not to use, disclose or divulge to any third party or to enable or cause any person to become aware of any Confidential Information of other Parties provided that the Company may make any announcement/press release concerning or relating to the investments prescribed in this Agreement by providing information regarding the names of Lenders without disclosing the terms of their investments, including the amount(s) invested via the Loans and any Lender may make any press release to the effect that that Lender has made an investment in the Company without obtaining the prior approval of any other Parties.
   2. Each Party shall be entitled to disclose any Confidential Information to its professional advisors who have agreed to keep the confidentiality of the information they may receive or are obliged to maintain professional secrecy under the law.
   3. The obligation under this Clause 9 shall remain in force throughout the term of this Agreement and within 5 (five) years of the termination hereof.
8. **TERMINATION & EVENT OF DEFAULT**
   1. The Company shall be entitled to terminate this Agreement with respect to each Lender if the respective Loan from that Lender has not been received by the Company on the Bank Account by the date specified under Clause 2 above, within 30 days of the lapse of the date specified under Clause 2 above. The right of termination conferred upon the Company under this Clause 10.1 shall be without prejudice to all other rights and remedies available to it as applicable.
   2. Upon the termination of this Agreement as set forth under Clause 10.1, all rights and obligations of the Company towards that Lender under this Agreement shall terminate, except their respective obligations under Clauses 8 and 9. Nothing in this Clause 10 shall relieve any Party of any liability for a breach of this Agreement prior to the termination hereof.
   3. Each Lender shall be entitled to terminate this Agreement, with respect to his Loan (including before the lapse of the Termination Date or before the Conversion) in case of an Event of Default. The Outstanding Amount becomes then due and payable upon the termination by the respective Lender, within 10 Business Days from providing a termination notice to the Company in accordance with rules set out in Clause 11.
9. **NOTICES**
   1. All notices, demands, and communications to be made under this Agreement will be in English and in documentary form (unless a written form is required by the mandatory provisions of law) and will be effective if served upon such other Party as specified below to the address set forth for it below (or to such other address as such party will have specified by notice in accordance with this Clause 11.1 to each other Party) if (i) delivered personally, (ii) sent by certified or registered mail or by reputable overnight courier service, postage prepaid, or (iii) sent by email, unless specifically precluded hereunder (ii), in each case, to the appropriate address specified below.
   2. Each of the Parties hereto shall be entitled to specify a different address or email address by giving notice as aforesaid to each of the other Parties.
10. **FINAL PROVISIONS**
    1. If there is any ambiguity or doubt as to the mutual intentions of the Parties or the interpretation of this Agreement, it is assumed that this Agreement was drafted jointly by the Parties, and no assumptions, presumptions or other rules on the burden of proof will arise from the fact that any of its provisions were attributed to or drafted by one Party. The Parties jointly declare that any possible interpretation doubts arising from or related to this Agreement will not be interpreted to the detriment of any Party that proposed any wording for this Agreement. By executing this Agreement, each Party declares that it accepts this Agreement without reservations and states that its content is fully understandable for such Party and does not raise any interpretation doubts.
    2. No Party has the right to assign or delegate any of its rights or obligations under this Agreement without the prior consent of the other Party in the form of a document.
    3. Each of the Parties hereto shall bear its own legal and other costs and expenses incurred in connection with the execution, implementation and consummation of this Agreement, including all previous negotiations and communications.
    4. This Agreement constitutes the whole agreement between the Parties in relation to the Loan. It supersedes any previous arrangements or agreements (both oral and written) between the Parties relating to the subject matter of this Agreement.
    5. This Agreement has been executed in the form of a document by, among others, exchange of a duly signed version of this Agreement (sent in PDF, JPEG or other readable format as an attachment to the email) or through a document signing platform, such as DocuSign. For the avoidance of doubt, if this Agreement has been concluded using a document signing platform, e.g. DocuSign, this does not mean that any subsequent changes, variation or supplements to this Agreement require the use of the same platform and it is sufficient to observe the appropriate form applied to execute this Agreement as indicated in the first sentence to change, vary or supplement the Agreement.
    6. If any provision of this Agreement shall be held to be illegal, void, invalid or unenforceable under any applicable law of any jurisdiction, it shall be deemed to be severed from this Agreement, and the Parties shall use all reasonable endeavours to replace such provision with one having an effect as close as possible to the deficient provision. The legality, validity and enforceability of the remainder of this Agreement in that jurisdiction shall not be affected, and the legality, validity and enforceability of the whole of this Agreement in any other jurisdiction shall not be affected.
    7. This Agreement shall be governed by and shall be construed in accordance with Polish law.
    8. Any disputes arising out of or related to this Agreement, including any disputes regarding its existence, validity, breach or termination, shall be settled in the two-instance proceedings by three arbitrators at the arbitral tribunal at the [●] in accordance with the rules of that Court in effect on the date of commencement of the proceedings. The language of arbitration shall be English.

[*schedules and* *signatures page follow*]