SUBSCRIPTION AGREEMENT | [COMPANY NAME] EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)

Before we get Started [Setting the Scene]

Considerations:

Visionary Growth:
This Agreement embodies the shared vision for [Company Name]'s extraordinary growth. Anticipating significant milestones, the Company foresees substantial appreciation in equity value. We embark on a journey painted with the promise of achievements and success.

Employee Excellence:
Recognizing [Employee Name]'s pivotal role, we acknowledge their exceptional contributions. [Employee Name] stands as a cornerstone in the Company's success story, demonstrating unwavering dedication, exemplary skills, and commitment. Their ongoing and anticipated contributions position them as a key figure in our pursuit of excellence.

Collaborative Futures:
This Agreement symbolizes a commitment to intertwined futures. The Company and [Employee Name] pledge to walk this path together, recognizing the symbiotic nature of our destinies. As we anticipate shared successes, this Agreement solidifies our commitment to a long-term collaboration.

Strategic ESOP Alignment:
Institutionalizing the Employee Stock Ownership Plan (ESOP) reflects a strategic move to align [Employee Name]'s interests with the Company's success. By extending the opportunity to become a shareholder, the Company aims to enhance motivation, engagement, and a shared ownership ethos among employees.

Enduring Partnership:
This Agreement signifies more than a contractual commitment; it establishes the foundation for an enduring partnership. [Employee Name] is not just an employee but a stakeholder in [Company Name]'s growth story. This enduring partnership is marked by mutual dedication and the pursuit of common objectives.

Transparency and Fairness:
An underpinning principle of this Agreement is transparency and fair play. The Company is committed to open communication and fair treatment. This Agreement assures [Employee Name] of equitable consideration and opportunities reflective of their contributions.

Acknowledgment of Excellence:
This Agreement serves as a formal acknowledgment of [Employee Name]'s outstanding contributions. The issuance of Shares stands as a tangible recognition of their dedication, expertise, and instrumental role in shaping the Company's trajectory.

Mutual Growth Pledge:
Both Parties enter into this Agreement with a shared commitment to mutual growth and success. [Company Name]'s flourishing prospects, combined with [Employee Name]'s sustained commitment, set the stage for a dynamic collaboration aimed at achieving shared objectives.

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1. Parties to the Agreement:

This Agreement is entered into on [Date] [‘Effective Date’], between [Company Name], a [Legal Structure] ("Company"), and [Employee Name], an employee of [Company Name] operating in [Specify Industry].

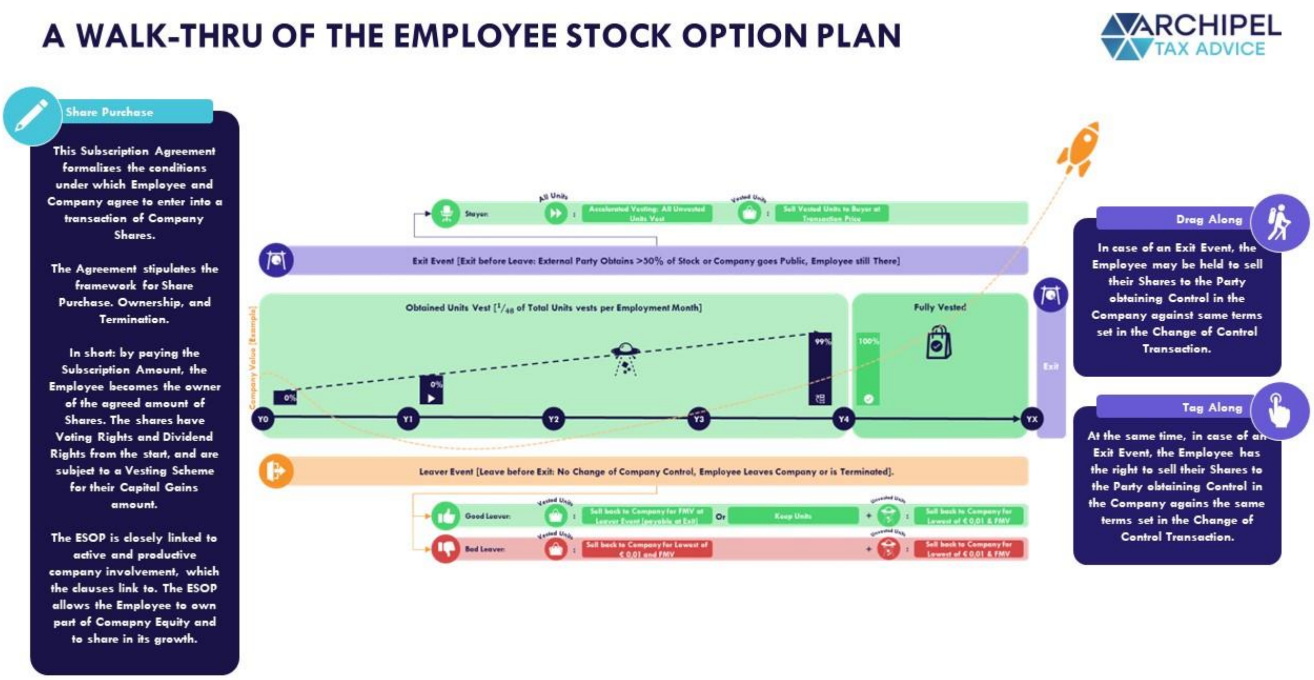
2. Subscription Details:

Under the terms of this Agreement, [Employee Name] shall subscribe to [Number of Units] newly issued Regular Stock Units [the ‘Shares’] in [Company Name].

The subscription Price shall be established at the Fair Market Value of the stock at the Subscription Moment, which Parties agree is [Enter Fair Market Value per Unit] per Unit as per the Effective Date.

The Transaction Price, which comprises the abovementioned Value per Unit multiplied with the amount of Units subscribed to, amounting to [Enter Transaction Value], shall be paid for [X%] in Cash Upfront and for [100% - X%] by means of a Shareholder Loan [SHL] as stipulated in this Agreement.

Employee:	# of Shares Subscribed:	Price per Share	Effective Date:
[Employee Name]	[Number of Units]	[Fair Market Value per Unit]	[Date]
Transaction Value:	**Paid in Cash Upfront:**	**Paid through SHL:**	**Stock Type:**
[Enter Transaction Value]	[Enter Cash Upfront]	[Enter SHL Amount]	Regular Stock



Declarations Preceeding the Transaction [Transaction can be Legally Executed]

3. Conditions Precedent:

The effectiveness of this agreement is subject to certain conditions precedent, including but not limited to:

3.1 Legal Compliance:
The Company shall ensure that the issuance of Shares under this Agreement complies with all applicable laws and regulations, including securities laws and tax laws.

3.2 Board Approval:
The issuance of Shares under this Agreement is subject to the approval of the Company's Board of Directors. The Board shall consider the strategic alignment of the Employee's participation in the ESOP with the Company's overall growth objectives.

3.3 Employee Confirmation:
The Employee shall confirm their commitment to continued active contribution to the Company and their understanding of the terms and conditions of this Agreement.

The completion of these conditions precedent is crucial to the effectiveness of this Agreement, and any failure to satisfy these conditions may result in the nullification or termination of this Agreement.

4. Representations and Warranties:

The Company and the Employee hereby represent and warrant the following:

4.1 Authority:
The Company represents that it is duly organized, validly existing, and in good standing under the laws of [Jurisdiction]. The Company has full corporate power and authority to enter into and perform its obligations under this Agreement.

4.2 Stock Issuance:
The Company represents that the Shares offered under this Agreement are duly authorized, validly issued, fully paid, and non-assessable. The Company has the right to issue the Shares to the Employee in accordance with the terms of this Agreement.

4.3 Compliance with Laws:
The Company and the Employee, in connection with this Agreement, agree to comply with all applicable laws, regulations, and agreements, and neither party will take any action that would result in a violation of any such laws.

4.4 No Violation:
The execution and delivery of this Agreement by the Company and the Employee, and the performance by the Company of its obligations hereunder, do not and will not violate any agreement to which the Company is a party or by which it is bound.

4.5 Employee's Capacity:
The Employee represents that they have the legal capacity and authority to enter into this Agreement and to subscribe to the Shares offered herein. The Employee is not subject to any contractual or legal obligation that would prevent them from fully performing their obligations under this Agreement.

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4.6 Accuracy of Information:
The information provided by the Company and the Employee in connection with this Agreement is true, accurate, and complete in all material respects. There are no undisclosed liabilities or material facts that could adversely affect the value of the Shares.

4.7 No Litigation:
As of the date of this Agreement, there is no litigation, arbitration, or governmental proceeding pending or threatened against the Company or the Employee that would materially affect their ability to perform their respective obligations under this Agreement.

The Transaction [Getting the Stock to the Employee]

5. Stock Issuance and Transaction:

The Transaction is to be effectuated by Notarial Deed. Prior to this deed's execution, the Employee shall fulfill their payment obligations:

5.1 Transaction Value
The Transaction Value consists of the Amount of Shares that the Employee subscribes to as per this agreement, multiplied by the agreed Value per Unit, which Parties agree shall reflect the Fair Market Value of the Stock Units as per the Effective Date and determined as stipulated per clause 13 [Valuation Clause]. The Transaction Value so agreed upon shall amount to [Enter Transaction Value] as per Effective Date.

5.2 Settlement of Transaction Value
The payment-in-full of the Transaction Value shall be divided over two separate elements in percentages agreed upon by the Parties as follows:

5.2.1 Cash Upfront [X% / Enter Cash Upfront Amount]
The Empoyee shall ensure that a payment of [Enter Cash Upfront Amount] is received by the Company, on bank account [Enter Bank Account] as specified by the Company, at least two weeks prior to the agreed Notarial Execution Date.

5.2.2 Shareholder Loan [100%-X% / Enter SHL Amount]
The remainder of the Transaction Value shall be settled by means of a Shareholder Loan, extended by the Company to the Employee and formalized per separate agreement [The Shareholder Loan Agreement]. Said Shareholder Loan Agreement shall entail, most notably, a 7-year Loan with a capital amount of [Enter SHL Amount], specified securities, a linear annual down-payment schedule and a 6% interest rate per annum. Employee shall ensure that a signed Shareholder Loan Agreement is received by the Employer at least two weeks prior to the agreed Notarial date.

5.3 Issuance of Shares
Provided that the Transaction Value has been settled as set out above, the Company shall issue new regular shares in the Company's capital per Notarial Deed to be executed on [Enter Date of Notarial Deed]. From the moment of issuance on, the Employee shall be the owner of the subscribed Shares subject, amongst others, to the conditions set out in this Agreement.

5.4 Tax Adjustment Clause
If any Tax Assessment should arrive on a valuation different from the agreed upon Transaction Value, the Transaction Value shall be adjusted accordingly and settled by the Parties in accordance with the procedure set out in this provision, so as to prevent any taxable events from arising upon the execution of the Transaction that is intended as a Fair Market Transaction.

6. Rights and Obligations of the Employee:

As a subscriber to the Company's stock, the Employee shall enjoy the following rights and shall commit to certain obligations:

6.1 Voting Rights:
The Employee shall have voting rights in proportion to their ownership of the subscribed Shares. This means that the Employee has the ability to participate in decision-making processes that impact the Company's future.

6.2 Dividend Entitlements:
The Employee, as a shareholder, shall be entitled to receive their full and immediate pro-rata share in the dividends declared by the Company. This ensures that the Employee benefits directly from the Company's financial success and growth.

6.3 Restrictions on Transfer:
In consideration of the unique nature of the Employee Stock Ownership Plan (ESOP), the Employee agrees to certain restrictions on the transfer of Shares. These restrictions may include a right of first refusal or other mechanisms that maintain the ESOP's intended benefits.

6.4 Active Contribution:
The Employee acknowledges that the opportunity to subscribe to Shares under this ESOP is a reward for their active and ongoing contribution to the success of the Company. As such, the Employee commits to continuing their active involvement and contribution to the best of their abilities.

7. Rights and Obligations of the Company:

The Company, in issuing Shares through this ESOP, commits to certain rights and obligations to ensure the continued success and engagement of its employees:

7.1 Financial Transparency:
The Company agrees to maintain a high level of financial transparency, providing regular and comprehensive financial information to ESOP participants. This information enables employees to make informed decisions about their ownership stake.

7.2 Recognition of Employee Contributions:
The Company recognizes the active and valuable contributions of its employees, and the issuance of Shares through the ESOP is intended as a tangible acknowledgment of the Employee's role in the Company's success.

7.3 Support for Ongoing Involvement:
The Company commits to fostering an environment that encourages ongoing employee involvement and contribution. This includes providing opportunities for professional development, career advancement, and meaningful participation in the decision-making processes of the Company.

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8. Vesting Schedule:

Shares subscribed to under this Agreement shall 'vest' according to an incremental four-year Reverse Vesting scheme. Reverse Vesting implies that the Shares are subject to repurchase at a nominal value by the Company if they remain unvested. The vesting schedule shall be as follows:

Year 1: [Specify Percentage]% of the subscribed Shares shall vest on the first anniversary of the effective date of this Agreement.

Year 2: [Specify Percentage]% additional Shares shall vest on the second anniversary of the effective date of this Agreement.

Year 3: [Specify Percentage]% additional Shares shall vest on the third anniversary of the effective date of this Agreement.

Year 4: [Specify Percentage]% remaining Shares shall vest on the fourth anniversary of the effective date of this Agreement.

This vesting schedule is designed to incentivize the Employee's long-term commitment and sustained contribution to the Company.

9. Non-Tradeable Shares [Lock-up]:

To promote stability and prevent abrupt changes in ownership, in recognition of the ESOP-nature with intent on active equity contributions, and in line with the Statutes of the Company, the Employee agrees that the Shares acquired under this agreement are non-tradeable except in the following circumstances:

9.1 Leaver Situations:
The Employee may or may have to transfer or sell their Shares in the event of a Good Leaver or Bad Leaver event, as set out in Clause 10 [Termination Provisions / Leaver Events].

9.2 Exit Event:
In the event of an Exit Event as defined in Clause 11 [Exit Events] the Employee may or may have to transfer or sell their Shares.

9.3 Exceptions with Company Approval:
The Employee may request approval from the Company's Board of Directors for any other transfer or sale not otherwise covered. The Company may, at its discretion, grant or deny such requests.

This non-tradeable period is intended to ensure that the Shares remain aligned with the long-term goals and stability of the Company and its ESOP, and includes a prohibition to use the Shares as a collateral, security, or in any way that may impact the certainty of continued and otherwise unrestricted ownership by the active Employee.

Leaver Provisions [Employee Leaves Company before Exit Event]

10. Termination Provisions [Leaver Events]:

An Employee that leaves the Company, be it at will or not at will, qualifies as a Leaver. Given the ESOP-nature of this Agreement and the intent of the Company to incentivize Employees with active contributions to company performance and avoid 'dead equity' from arising, Leavers are subject to share repurchases upon their departure with the repurchase conditions depending on the conditions of their Leaving, as follows:

10.1 Good Leaver:

The Employee shall qualify as a Good Leaver in case their Company departure is instigated by any of the following events:

- The Employee's employment with the Company ends following mutual agreement with the Company;
- The Employee becomes redundant;
- The Employee passes away, or becomes incapacitated, due to an event outside of their control, to an extent that does not allow the Employee to continue working.

The consequence shall be as follows:

- The Company shall have the right to repurchase any Vested Shares from the Employee against their Fair Market Value upon the Leaver event, as determined in line with Clause 13 [Valuation] of this Agreement;
- The purchase price following from the point above, shall be payable upon an Exit Event as defined in Clause 11 [Exit Events], or after 5 years from the Leaver event, whichever comes first;
- If the Share Value upon said Exit Event should be lower than the established Fair Market Value upon the Leaver event, the Vested Share pay-out shall be adjusted downward accordingly to ensure that early Leavers do not obtain a higher Exit price than non-Leaving Employees;
- Alternatively, the Company may pass on their Right to Repurchase and allow the Employee to keep their Vested Shares, notwithstanding any Restrictions on their Transferability as laid out in this Agreement;
- The Company shall have the right to repurchase any Unvested Chares from the Employee against their Nominal Value.

10.2 Bad Leaver:

The Employee shall qualify as a Bad Leaver in case their Company departure is instigated by any of the following events:

- Termination of the Employment by the Company on legal grounds, such as fraud, gross misdonduct, or breaches of authority or agreements;
- Violation by the Employee of the Employment Agreement, such as the Noncompete, Confidentiality or Non-Poaching Clause;
- Failure of the Employee to meet certain targets prior to termination by mutual agreement or any other bad-case Settlement Agreement situation, or;
- Voluntary Resignation by the Employee.

The consequence shall be as follows:

- The Company shall have the right to repurchase any Vested and Unvested Shares against their Nominal Value.

Exit Provisions [Employee is with Company upon Exit Event]

11. Exit Event:

Rather than Leaving, of course, the idea is that the Employee will remain with the Company at least until an Exit Event occurs.

11.1 Exit Event Definition

An Exit Event is understood to mean any liquidity-involving event as a result of which the control of the company changes significantly. For these reasons, an Exit event shall be defined as:

- An Initial Public Offering of Shares in the Company as a result of which the Shares become publicly traded on a regulated Stock Exchange, or;
- A Change of Control, defined as (a) any person or entity acquiring beneficial ownership of 50% or more of the Company's outstanding voting stock, or (b) a merger or consolidation resulting in a change in control of the Company.

11.2 Consequences of Exit Events

The consequences of an Exit Event shall be as follows:

- Accelerated Vesting: in case of an Exit Event, 100% of any active [an non-Leaving] Employee's unvested Shares shall immediately vest. This ensures that in the case of a significant change in the ownership or control of the Company, the Employee is rewarded for their continued commitment and contribution.
- Continued Participation: Following an Exit Event, the Employee may have the option to continue participating in the ESOP under the new ownership structure, subject to the terms and conditions negotiated at the time of the IPO or Change of Control.

12. Drag Along and Tag Along Provisions:

12.1 Drag Along:

In the event that a majority of the Company's shareholders representing at least [Percentage] of the company's Shares decide to sell their Shares, the majority shareholders have the right to "drag along" the minority shareholders. This means that the minority shareholders are compelled to join in the sale on the same terms and conditions as the majority, ensuring a unified approach to the sale of the Company.

12.2 Tag Along:

Conversely, should a shareholder or group of shareholders representing at least [Percentage] of the company's Shares intend to sell their Shares, minority shareholders have the right to "tag along." This enables minority shareholders to participate in the sale on the same terms and conditions as the majority, providing them with a level of protection in the event of a significant share sale.

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Miscellaneous [Valuation, Dispute Resolution, Confidentiality and Alterations]

13. Valuation Clause:

In the determination of the Fair Market Value of the Shares, the most recent Priced Round shall be used as the basis, provided that the conditions are still similar enough and that a maximum term of two (2) years has not elapsed since the Priced Round. In the absence of applicable conditions, the Company shall engage Archipel Tax Advice as an external valuator to conduct a Discounted Cash Flow (DCF) Valuation, and the result of such valuation shall serve as the Fair Market Value.

Additionally, in the event that any Tax Assessment leads to a different price to be established for tax purposes, the agreed-upon Subscription Price under this Agreement shall be adjusted accordingly to ensure that the Company will not owe any wage taxes on the transaction. The transaction is intended to reflect Fair Market Value conditions and shall not imply any benefits or discounts for the Employee.

14. Governing Law and Dispute Resolution:

This Agreement shall be governed by the laws of the Netherlands (Dutch Law). Any dispute arising out of or in connection with this Agreement shall be resolved through a voluntary Mutual Agreement Procedure outside of any court. The Mutual Agreement Procedure shall be guided by Archipel Tax Advice or any other mutually appointed Mediator and shall have a maximum duration of one (1) year. The Parties commit to engaging in good faith negotiations and working collaboratively to reach a resolution through the Mutual Agreement Procedure before seeking any formal legal remedies.

15. Confidentiality:

The Parties acknowledge the confidential and proprietary nature of the information shared in connection with this Agreement. Each Party agrees to:

15.1 Non-Disclosure:
Keep confidential all information received from the other Party that is not already in the public domain.

15.2 Non-Use:
Not use any confidential information for any purpose other than the performance of obligations under this Agreement.

15.3 Exceptions:
The confidentiality obligations do not apply to information that is independently developed by the receiving Party without reference to the other Party's confidential information, or that is rightfully received from a third party without restriction.

15.4 Permitted Disclosures:
Each Party may disclose confidential information to its employees, agents, or representatives who have a need to know such information for the purpose of fulfilling the obligations under this Agreement, provided that such individuals are bound by obligations of confidentiality at least as restrictive as those herein.

15.5 Duration of Confidentiality:
The confidentiality obligations shall continue for a period of [Duration] after the termination of this Agreement.

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15.6 Return or Destruction:
Upon termination of this Agreement, or at the disclosing Party's request, the receiving Party shall promptly return or, at the disclosing Party's option, destroy all copies of the confidential information in its possession.

16. Miscellaneous:

16.1 Amendments:
This Agreement may only be amended in writing and signed by both Parties. No oral modifications or waivers of any terms shall be valid or enforceable.

16.2 Entire Agreement:
This Agreement constitutes the entire understanding between the Company and the Employee and supersedes all prior agreements, whether written or oral, relating to the subject matter hereof.

16.3 Notice:
Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by courier, or three (3) days after being mailed by certified or registered mail, postage prepaid, return receipt requested, to the addresses of the Parties as set forth in this Agreement or to such other address as one Party may designate by notice to the other.

16.4 Waiver:
No waiver by either Party of any provision of this Agreement or any breach thereof shall be deemed a waiver of any other provision or subsequent breach.

16.5 Severability:
If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

16.6 Counterparts:
This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

16.7 Governing Law:
This Agreement shall be governed by and construed in accordance with the laws of the Netherlands.

16.8 Dispute Resolution:
Any dispute, controversy, or claim arising out of or in connection with this Agreement, or the breach, termination, or invalidity thereof, shall be resolved through the dispute resolution mechanisms set forth in Clause 14 [Governing Law and Dispute Resolution].

16.9 Successors and Assigns:
This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

Signatures [Making it Official]

17. Signature

This Agreement is effective as of the date first above written.

[Company Name]

By: ________________________ [Authorized Signatory]

Date: [Date]

[Employee Name]

Date: [Date]

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