

SOMOS

86-90 paul street, london, ec2a 4ne.
registered in england & wales with company number: 13657044.

somos virtual share options plan terms & conditions

Preamble

Somos Education Limited (the **Company**) is a limited liability company established and organised under the laws of England & Wales with company number 13657044.

The Company intends to enable its current and future employees, freelancers, advisors, contributors and/or customers (each a **Beneficiary** and collectively the **Beneficiaries**) to participate in its commercial success. Therefore, it may offer the Beneficiaries the opportunity to acquire virtual options to participate in the success of the Company.

This participation of the Beneficiaries in the commercial success of the Company shall take the form of a virtual share options plan (the **VSOP**) under the terms and conditions set out herein (the **Conditions**).

1. Virtual Share Options

- 1.1. The VSOP simulates a participation of the Beneficiaries in the growth and profitability of the Company as if the Beneficiary was a shareholder of the Company. However, the VSOP does not grant the Beneficiaries the right to assume shares. Instead, the virtual options provide the Beneficiaries with contractual claims against the Company for payment of a certain amount in cash, or the granting of a non-cash consideration, provided certain conditions are met (**Virtual Options**).
- 1.2. Each Virtual Option shall represent the Beneficiary's right to a payment in the case of a Liquidity Event (as defined below) and shall accordingly be used to calculate the amount of the Beneficiary's payment, subject to the terms and conditions set forth herein.
- 1.3. The Virtual Options shall be granted to the Beneficiary free of charge but in exchange for contributions to the commercial success of the Company.

2. Granting of Virtual Options

- 2.1. The Company may issue Virtual Options to the Beneficiaries in accordance with this section 2.

- 2.2. The offer of a certain amount of Virtual Options to the Beneficiary will be made through a subscription agreement in a form substantially similar to Annex 1 (the **Subscription Form**).
- 2.3. The total number of Virtual Options granted to the Beneficiary (the **Granted Virtual Options**) will be at the sole discretion of the Company.
- 2.4. The Virtual Options are deemed to be granted to the Beneficiary if, and as soon as the Beneficiary accepts the Company's offer. The date of acceptance is decisive. The Subscription Form also determines the day on which the Virtual Options are to be granted or are deemed to be granted (the **Issue Date**).

3. Liquidity Events

- 3.1. The Beneficiary shall participate in the following events (the **Liquidity Events**) with a cash payment (a **Cash Payment**):
 - 3.1.1. An exit event as defined as the completion (as such term is defined in the relevant transaction documentation) of a contract (**Exit Event**) whereby (i) shares in the Company collectively constituting more than 75 % of the Company's issued share capital are purchased, exchanged or acquired in a financially comparable fashion in one transaction or a series of commercially connected transactions by a buyer and/or buyer consortium (each a **Buyer**) (the **Share Purchase**), and/or; (ii) the Company sells all or nearly all assets and/or IP rights (defined as more than 75 % of all assets of the Company according to market value) of the Company in one transaction or a series of commercially connected transactions to a Buyer (the **Asset Purchase**);
 - 3.1.2. The allocation of a cash amount by the Company following its approval by the Company Directors (a **Grant Event**).
- 3.2. The Cash Payment the Beneficiary is entitled to in the relevant Liquidity Event shall be computed as provided for in Annex 2.
- 3.3. Provided none of the exemptions mentioned below are applicable, the Cash Payment according to section 3.2 above shall be due within 60 days of the Liquidity Event and is payable to the bank account or ledger (as the case may be) stated by the Beneficiary in the Subscription Form, however, not before the expiration of 30 days after receipt of the payment triggering the Liquidity Event by the Company or the shareholders.
- 3.4. The Beneficiary agrees that in certain circumstances (including but not limited to corporate restructuring), the Company may, at its sole discretion, request that the Beneficiary receive a non-cash payment instead after the Liquidity

Event. The Beneficiary shall not have any material advantages or disadvantages from this change.

4. Transfer and inheritance of Virtual Options

- 4.1. Any Virtual Options are under no circumstances transferable or may be disposed of without the Company's prior written consent. The same applies to measures or actions, which economically correspond to such a transfer or disposition. In case any Virtual Options are transferred or disposed of without the Company's prior written consent, they shall expire without any right to damages.
- 4.2. Notwithstanding the above, Virtual Options may be inherited. The heirs will be bound to these provisions. They are obliged to inform the Company about the event of succession and their inheritance, and the Company may request relevant documentation by way of a certificate of inheritance. If more than one person has inherited Virtual Options, these persons may only exercise the rights and duties arising from the Virtual Options jointly. In such case, the heirs are obliged to appoint, by a written declaration addressed to the Company, a joint representative, entitled to act on behalf of all. Payments by the Company to the heirs may be made to the joint representative with exonerating effect in relation to all heirs.

5. Taxes

- 5.1. All obligations regarding taxes, which arise out of or in connection with the granting, vesting or the exercise of any Virtual Options and payments hereunder, in particular, but not limited to wage tax, social security contributions, church tax and solidary tax contribution shall be borne by the Beneficiary.
- 5.2. The Company gives no guarantees, representations, confirmations or promises etc. with regard to the existence or non-existence of any taxes.
- 5.3. The Company is entitled to retain, as far as legally required, any withholding tax and social security contributions and to transfer such monies to the competent authorities. The foregoing shall also apply if at the time of the payment, the Beneficiary has already ceased to be an employee of the Company.

6. Limitation of liability

- 6.1. The Company gives no guarantees, representations, confirmations or promises etc. of any kind with regard to the future development of any Granted Virtual Options or with regard to a Liquidity Event.

- 6.2. The Company shall not be liable for any loss or damage suffered by the Beneficiary which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of the rights or obligations under these Conditions, unless such loss or damage is caused by the fraud or gross negligence of the Company or its employees.
- 6.3. The limitation of the Company's liability shall also apply to the personal liability of its employees.

7. Modifications and notices

- 7.1. The Company may convert the Virtual Options into another participation plan at any time, especially in the event of its transformation into a joint shares corporation, for example following an IPO, provided such plan is not to the financial detriment of the Beneficiary compared to the virtual option program according to these Conditions.
- 7.2. The Company is entitled to decide upon additions to and modifications of these Conditions and to request a declaration of consent from the Beneficiary within a reasonable period of time and within the scope of section 8.1 above.
- 7.3. The Beneficiary may only deny consent for cause provided the provisions in section 8.1 are complied with. In particular, the Beneficiary may not withhold consent if the modifications or amendments merely concern technical adjustments due to changes in laws or due to a change of the Company's legal form.
- 7.4. All declarations in accordance with these Conditions must be made in writing, unless otherwise specified.
- 7.5. The Beneficiary must inform the Company of its postal address and email address in its declaration of acceptance pursuant to section 2.4.
- 7.6. The Beneficiary must immediately inform the Company about any changes in this information.
- 7.7. All notices from the Company sent to the postal address or email address provided to it by the Beneficiary will be considered to have been received by the Beneficiary.

8. Data protection and Privacy

- 8.1. The Company is entitled to collect, process and use personal data to implement these Conditions and fulfill the contractual obligations under these Conditions.

8.2. The information on data processing attached hereto as Annex 3 shall apply.

9. Governing Law and Jurisdiction

9.1. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by and construed in accordance with the laws of England and Wales.

9.2. The parties irrevocably agree that the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

10. Enforceability

10.1. If any provisions of these Conditions are or become invalid or unenforceable in whole or in part, this will not affect the validity or enforceability of the remaining clauses.

10.2. The invalid or unenforceable provision must be replaced by that valid and enforceable provision which most closely approximates the financial purpose of the invalid or unenforceable provision. This also applies in the event of any contractual gaps.

VSOP-Subscription Form for Beneficiary

Name of Company: somos education limited

Full Name of Beneficiary: [First Name (AUTO) + Last Name (AUTO)]

Granted Virtual Options: [Number from agreed token (AUTO)]

Issue Date: [Date of Acceptance of token (AUTO)]

Exercise Price: [0 or MANUAL]

Email:

Postal Address:

The Beneficiary hereby subscribes for Virtual Options as set out above, on the terms and conditions as set out in the Conditions.

Payout Formula

Payment formula for an Exit Event:

$$P = N / SC \times E$$

whereas

- P = Payment claim of the Beneficiary;
- N = Number of Virtual Options of the Beneficiary;
- SC = Share Capital of the Company at the time of the relevant Liquidity Event plus number of all issued Virtual Options
- E = The proceeds resulting from the Liquidity Event according to the following formula: $E = e - p$ where:
 - e = The purchase price paid out to the shareholders in the case of a Share Purchase, or the liquidation proceeds received by the shareholders as dividends in the case of an Asset Purchase and the annual profit as provided for in the annual reporting in case of a Profitability Event;
 - p = The liquidation, earnings and similar preferences payable with priority to specific shareholders in accordance with the applicable shareholders' agreement or articles of association.

Payment formula for a Grant Event:

$$P = N / SC \times G$$

whereas

- P = Payment claim of the Beneficiary;
- N = Number of Virtual Options of the Beneficiary;
- SC = Share Capital of the Company at the time of the relevant Liquidity Event plus number of all issued Virtual Options
- G = the total cash amount allocated by the Company after deliberation by its Directors. The amount is determined at the sole discretion of the Company.

Information on Data Processing (relating to VSOP)

For the purposes of the VSOP, the Beneficiary's personal data are processed by the Company in accordance with the Company's privacy policy (available at: <https://somos.education/privacy-policy/>).