

SEEDRS INVESTMENT TERM SHEET

Seedrs Standard Documents

Immediately prior to release of investment funds, the Company, its founders and Seedrs will enter into the linked [Subscription Agreement](#), which is tailored to Seedrs' closing and due diligence process.

In addition, **unless otherwise agreed** (see "[Bespoke Shareholder Agreement and Articles](#)" Section below):

1. the Company will adopt the linked [Articles of Association](#): these are standard investment-grade articles based on the BVCA model articles; and
2. the Company and its existing shareholders will terminate any existing shareholders' agreement and enter into the linked [Shareholder Agreement](#) with Seedrs: this is a standard investment-grade shareholder agreement based on the BVCA recommended shareholder agreement.

Bespoke Shareholder Agreement and Articles

If the Company has an existing shareholder agreement and articles in place, Seedrs may be able to work with them subject to certain amendments in line with our minimum investment terms (set out below). The documents will also need to contain a sufficient level of investor protections and we will need to be comfortable with the governance structure of the Company.

Our minimum investment terms are as follows:

1. **Voting Shares:** All investors in the round, including Seedrs, to receive the same class of voting shares. If the Company has different share classes, we will need to review this on a case by case basis.
2. **Permitted Transfer Rights:** In respect of any shares held by Seedrs, the following transfers must be permitted without any restrictions as to price, requirement to offer to other shareholders or otherwise:
 - A. any transfer by the Seedrs investors of their beneficial ownership provided Seedrs remains the legal shareholder;
 - B. any transfer of the shares to the underlying Seedrs investor; and
 - C. any transfer of the shares to any replacement nominee or nominated custodian.

3. **Pre-Emption Rights:** A clear process for pre-emption on the issue of new shares or rights to shares must be set out. Seedrs investors must be allowed to participate, on a pro rata basis, in the company's future fundraising rounds.
4. **Tag Along:** A clear process for exercising tag-along rights must be set out. In the event of any share transfer that would result in a change of control, all shareholders should have the right to sell all of their shares to such party on the same terms and conditions.
5. **Drag Along:** A clear process for exercising drag-along rights must be set out. In the event shareholders holding at least 50% of the issued share capital of the Company wish to accept an offer from a third party to acquire 100% of the company, all other shareholders shall be required to sell their shares on the same terms and conditions.
6. **Information Rights:** Seedrs will require the following basic information rights:
 - A. An update to Seedrs investors on the progress of the business via the Seedrs platform at least once a quarter.
 - B. Completion of a check-in form which is circulated by Seedrs once every quarter.
 - C. The Company will respond to reasonable requests by Seedrs for information on the business necessary to carry out its role as nominee.
7. **Reserved Matters:** We expect existing documentation to contain an acceptable list of matters which the Company cannot undertake without the consent of the majority of investors (i.e. shareholders other than Founders).

In addition, we ask that Seedrs' consent is sought for a limited sub-set of matters:

- A. Amending the articles of association in such a way was to affect Seedrs' permitted transfers and agreed pre-emption, drag along and tag along provisions.
 - B. Waiving Seedrs' pre-emption rights on the issue of shares unless the share issue is to a bona fide third party and no existing shareholders are participating.
8. **Restrictive Covenants/Non-Compete:** We would expect customary founder restrictive covenants. We do not expect there to be any restrictive covenants or non-compete obligations on investors in the documents, but to the extent there are, Seedrs will need to be carved out of these.

In limited circumstances, we may ask for additional provisions or amendments beyond the above, but in general we will sign documentation that contains the above measures and is otherwise reasonable and fair to minority shareholders.