



Term Sheet: Future Equity

This document is not legally binding and is only for accredited investors.
[Insert Date Here]

Why?

The purpose of this document is to set out the basic terms for an equity investment into our company.

Amount

We, [Insert Name of Company], want to raise money by issuing up to [Insert \$ Amount] in the form of future equity. You have indicated that you wish to invest [Insert \$ Amount].

Use of Funding

We want to use the funds for [Insert Description of Use of Funds].

Automatic Conversion

We will automatically convert your investment into shares at the price where we solely issue shares in one or more transactions totaling [Insert \$ Amount].

Conversion Price

The price for automatic conversion shall be the lower of [Insert Discount Rate %] of the cheapest price paid in the share issue or the price per share based upon a [Insert \$ Amount] pre-money valuation based on a fully diluted basis.

Company Sale

If we sell the majority of and/or merge the company before you receive shares, then you have the choice to be paid in cash USD [Insert Multiple] times the amount you invested or you can have the option to convert into common stock shares at [insert \$ per share] pre-money valuation based upon us being fully diluted.

Expenses

We are each responsible for our own expenses.

Acceptance

If you understand and agree with the document please sign below.

Future Equity Investor
[Insert Name]