**TERM SHEET**

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| **Company / Issuer** | [*Name of the company*] |
| **Investment Amount** | [*amount*] |
| **Investors** | [*Investor 1*]  CHF [*amount*]  [*Investor n]*  CHF [*amount*]  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **Total**  **CHF [*amount*]** |
| **Type of Security** | [*number*] of newly issued contractually preferred shares with a nominal  value of CHF [*amount*] each ("**Investor Shares**") |
| **Issue Price per In-**  **vestor Shares** | CHF [*amount*] |
| **Pre-money Valuation** | CHF [*amount*] fully diluted pre-money valuation (including the effects  of shares issuable to holders of options, warrants and other convertible securities of the Company, if any) |
| **Pre-Closing Share-**  **holder Structure** | [*Founders*] [*number*] shares  [*%*]% of issued share capital  [*Other Shareholders*] [*number*] shares  [*%*]% of issued share capital  [*Management*] [*number*] shares  [*%*]% of issued share capital  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **Total**  **CHF [*amount*]** |
| **Employee**  **Participation / Option Pool** | [*Information about existing employee participation / option pool, if any,*  *as well as information about employee participation / option pool to be*  *implemented together with Financing Round*] |
| **Shareholder Struc-**  **ture after Financing**  **Round** | As of completion of the Financing Round the Company shall have an  issued share capital of CHF [*amount*] divided into [*number*] common  shares and [*number*] Investor Shares with a nominal value of  CHF [*amount*] each and the ownership structure of the Company [on a  fully diluted basis] and the holdings of each shareholder in the respective class of shares shall be as set forth in the Cap Table set forth in **Annex 1**. |
| **Use of Proceeds** | [All corporate purposes/activities consistent with the business plan*.*] |
| **Ranking** | Up to the Preference Amount the Investor Shares will rank senior to  the common shares of the Company with respect to exit/liquidation  events and dividends. |
| **Preference Amount** | Preference Amount shall mean the sum of *(i)* the aggregate Issue  Price paid by the respective holder of Investor Shares and *(ii)* interest  of [*percentage*]% per year on the Issue Price (to be calculated on the  basis of the Issue Price paid and not yet compensated by a preferred  repayment) since payment of the Issue Price until payment of the  Preference Amount in full. |
| **Dividends** | Dividends which will be payable when, as and if declared by the  shareholders upon proposal by the Board of Directors ("**Board**" and  each member, a "**Director**"), shall be paid in first priority to the holders  of Investor Shares *pro rata* to their holdings in the Investor Shares.  The maximal amount of preferred dividends shall not exceed the Pref-  erence Amount less any proceeds received by a holder of Investor  Shares resulting from a voluntary or non-voluntary liquidation, a disso-  lution or winding up or a Sale of the Company (together with a divi-  dend event, each an "**Exit/Liquidation Event**"), whereby a "**Sale**"  shall mean the sale, transfer or other disposal (whether through a sin-  gle transaction or a series of related transactions) of shares in the  Company that result in a change of control or the sale of all or  [substantially all]/[a major part] of the Company's assets.  Further dividends to be paid to all holders of Investor Shares and  common shares *pro rata* to their respective aggregate holdings of  shares in the then issued share capital of the Company will be paid  only provided the Preference Amount has been fully paid. |
| **Liquidation Preference**  **Anti-Dilution** | In an Exit/Liquidation Event, the proceeds resulting therefrom shall be  allocated as follows:  1. [In first priority and up to the Preference Amount to the holders of  Investor Shares *pro rata* to their holdings in the Investor Shares, it  being understood that that the maximal amount payable to holders  of Investor Shares shall not exceed the Preference Amount less  any proceeds received by a holder of Investor Shares resulting  from a previous Exit/Liquidation Event*.*]  2. [In second priority, if and to the extent the Preference Amount has been fully paid, to all holders of Investor Shares and common shares *pro rata* to their respective aggregate holdings of shares.]  [Broad based weighted average adjustment formula*.*] To be effected by issuance to the Investors of new Investor Shares at nominal value. |
| **Voting Rights** | Each Investor Share carries one vote; *i.e*. the same vote as each  common share. |
| **Qualified Majorities** | Important Shareholder Matters as listed in **Annex 2**:1  1. Each shareholder will undertake not to cast an affirmative vote  unless such Important Shareholder Matter will be approved by at  least *(i)* [662/3%] of shareholder votes and the absolute majority of  the share capital of the Company [represented at the relevant  General Meeting of Shareholders]/[issued by the Company] *and (ii)*  [662/3%] of shareholder votes of the holders of Investor Shares  [represented at the relevant General Meeting of  Shareholders]/[issued by the Company].  Important Board Matters as listed in Annex 2:2  1. [*Alternative 1:*] [Each shareholder will undertake that any affirmative decision with respect to such Important Board Matter will re-quire the consent of at least [*percentage*]% of [all elected Directors]/[the Directors present at the meeting].]  2. [*Alternative 2:*] [Each shareholder will undertake to procure that the Director(s) nominated by such shareholder shall not, subject only to their fiduciary duties, cast an affirmative vote unless such Important Board Matter will be approved by (i) the simple majority of the Directors present at the meeting and (ii) [each]/[at least [*number*]] Investor Director[s].] |
| **Board Composition** | The Board shall comprise a maximum of [*number*] Directors.  Each Investor shall have the right to be represented on the Board by a Director nominated by such Investor (each an "**Investor Director**").  The Existing Shareholders shall have the right to be represented on  the Board by [*number*] Director[s] nominated by a simple majority of  the holders of common shares (each a "**Common Shareholder Director**"). |
| **Information Rights** | The Company shall provide each shareholder by e-mail with *(i)* [audit-  ed] financial statements within [120] days of the end of each financial  year and *(ii)* unaudited quarterly financial statements within [45] days  of the end of each fiscal quarter.  In addition, each Investor shall have the opportunity at its discretion to  discuss any issues relating to its investment and the Company at least  on a bi-annual basis with the Company, and the Company shall allow  *(i)* consultation on significant issues and *(ii)* access to the books, records and facilities of the Company at any time upon reasonable advance request to the Board at the costs of the Investor. |
| **General Transfer**  **Restrictions** | No transfer other than transfers in accordance with customary transfer  restrictions set forth in the Shareholders Agreement. |
| **Right of First Re-**  **fusal** | Each shareholder will have the right of first refusal to purchase any  shares any shareholder wishes to transfer to another shareholder or a  third party in any transaction other than a transfer to an affiliate of an  Investor. |
| **Tag-Along Right** | Each of the shareholders shall have the right to participate, on a *pro*  *rata* basis on identical terms, in any transfer or sale of shares by other  shareholders provided such transfer or sale of shares would [result in  a change of control]. |
| **Drag-Along Right** | If a shareholder or a group of shareholders solely or jointly holding  more than [50]% of the outstanding share capital of the Company  wish(es) to Transfer all its (their) shares in one or a series of related  transactions to a proposed acquirer (including another shareholder,  but excluding an affiliate), who wishes to acquire all (but not less than  all) shares in the Company, pursuant to a *bona fide* purchase offer, |

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|  | such shareholder(s) (the "**Relevant Selling Shareholders**") shall,  have the right (but not the obligation) to require all other shareholders  to sell all of their shares to the proposed acquirer for the same consid-  eration per share and otherwise at the same terms and conditions as  applicable to the Relevant Selling Shareholder(s). | |
| **Confidentiality** | The terms and existence of this Term Sheet are confidential and will  not be disclosed by the undersigned except as otherwise agreed in  advance by each of the parties hereto. | |
| **Exclusivity** | From the date hereof until [*date*], or such earlier date upon which the  Investor[s] and the Company agree in writing to terminate discussions  contemplated by this Term Sheet, neither the Company nor the mem-  bers of its senior management or the Existing Shareholders will, direct-  ly or indirectly, solicit or participate in any way in negotiations with, or  knowingly provide any information to, any person (other than the In-  vestor(s)) concerning any potential investment in the debt or equity  securities of the Company (an "**Alternative Proposal**") or otherwise  facilitate any effort or attempt to make or consummate an Alternative  Proposal. | |
| **Documentation** | The investment into the Company is subject to contract and shall be  made pursuant to the agreements and documents listed below drafted  by the counsel to [Investor[s]]/[Company]:  1. Investment Agreement [(substantially in the form of SECA's Model  Documentation “light” template)];  2. Shareholders Agreement [(substantially in the form of SECA's  Model Documentation “light” template)];  3. Articles [(substantially in the form of SECA's Model Documentation  “light” template)];  4. Board Regulations [(substantially in the form of SECA's Model  Documentation “light” template)]; and  5. such ancillary documents and annexes related thereto as required  or deemed appropriate by the Investor[s]. | |
| **Conditions to Clos-**  **ing** | The consummation of the Financing Round contemplated by this Term  Sheet shall be subject to satisfactory due diligence and the approval  and signing of legally binding Documentation by the Investor[s]. | |
| **Legal Fees and Ex-**  **penses** | The Company will reimburse the Investor[s], or pay at the direction of  the Investor[s], for the reasonable legal fees and expenses incurred by  counsel to the Investor[s] not to exceed CHF [*amount*], payable at  Closing.  Should the investment not complete each side shall pay for their own  costs. [The Investors agree amongst themselves to share the costs of  legal counsel and other due diligence expenses and costs.] | |
| **Timing** | Due Diligence: | [*date*] |
| Negotiations: | [*date*] |
| Signing: | [*date*] |
| Closing: | [*date*] |
| End of Exclusivity: | [*date*] |
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| **Effect of Term Sheet** | The parties expressly agree that, with the exception of the obligations  as set forth under the paragraphs ["Confidentiality", "Exclusivity", "Tim-  ing", "Legal Fees and Expenses", "Effect of Term Sheet" and "Govern-  ing Law"] which are intended to be and shall be legally binding, no  binding obligations shall be created by this Term Sheet until definitive,  legally binding agreements are duly executed and delivered by the  parties. | |
| **Governing Law** | This Term Sheet is governed by Swiss law and subject to the exclu-  sive jurisdiction of the ordinary courts of [*place*]. | |
| [*Signature page to follow*] | | |

**[Investor 1]**

**By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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**[Investor n]**

**By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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**[Existing Shareholder 1]**

**By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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**[Existing Shareholder n]**

**By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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**[Company]**

**By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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**List of Important Shareholder and Board Matters**

**Part A – Important Shareholder Matters**

Each of the following decisions shall be an Important Shareholder Matter and shall require the consent requirements set forth in the Term Sheet:

1. any amendment of the Company's Articles or its corporate purpose;
2. any creation of shares with preferential rights of any kind, shape or form or with privi-leged voting rights [(other than for an approved financing (to be defined in the Share-holders Agreement)];
3. any amendment to the restriction of the transferability of shares;
4. any authorized or conditional capital increase [(other than for an approved financing (to be defined in the Shareholders Agreement)];
5. any increase of capital against the Company's equity, against contributions in kind, or for the purpose of acquiring assets or the granting of special benefits;
6. any limitation or withdrawal of subscription rights [(other than for an approved financ-ing (to be defined in the Shareholders Agreement)];
7. any change of [the corporate name or] registered office of the Company;
8. any sale of all or substantially all of the assets of the Company;
9. any merger, demerger or similar reorganization of the Company;
10. the liquidation of the Company;
11. any resolution on dividend payments or other distributions to the shareholders;
12. the election of the auditors of the Company; and
13. [*specify additional Important Shareholder Matters as appropriate*].

**Part B – Important Board Matters**

Each of the following decisions shall be an Important Board Matter and shall require the consent requirements set forth in the Term Sheet:

1. [the approval of the budget, and any change thereto*;*
2. the sale, disposal or transfer of all or substantially all of the Company's business and/or assets;
3. any acquisition of a business or any part thereof (whether a share or asset transac-tion);
4. any investment, capital expenditure, sale of assets, incurrence of debt or any contract obligation by the Company in excess of CHF [*amount*] *(*whether by a single transaction or a series of related transactions) unless such expenditure has been specifically provided for in the budget;
5. any approved financing (to be defined in the Shareholders Agreement) including any agreements to facilitate and effect an approved financing;
6. the appointment and removal of the Company's CEO and all other members of the management;
7. the approval and amendment of any share option plan and option and/or share grants to the Management, the issuance of shares or equity-related securities out of the Company's authorized or conditional share capital (including the determination of the issue price, the date for the entitlement for dividends and the type of contribution therefore), except in respect to any shares issued in accordance with anti-dilution ad-justments*;*
8. the creation of any security interests upon any part of the Company's property or as-sets in any form whatsoever exceeding CHF [*amount*] in aggregate (whether by a sin-gle transaction or by a series of related transactions) save as set forth in the budget or in the ordinary course of business;
9. any related-party transactions or arrangements including variations thereof;
10. any material change in accounting policies or principles save with the prior approval of the Company's audit company;
11. any transfer of shares other than in accordance with the transfer restrictions set forth in the Shareholders Agreement;]
12. [*specify additional Important Board Matters as appropriate*]; and
13. any amendment or modification of the board regulations.