

TERM SHEET – [COMPANY NAME]

1	THE INVESTMENT	
1.1	Company/issuer	[Name] (company reg. no. [*]) (the “ Company ”)
1.2	Parties	byWiT (company reg. no. 559327-3153) (“ Future Champions byWiT ”) [Name], [Name], [Name] (the “ Founders ”)
1.3	Pre-money valuation	SEK [*] (fully diluted including option pool regardless of whether options have been issued/allocated or not at the time of the investment).
1.4	Contemplated financing round (the “Investment”)	<ul style="list-style-type: none"> ● byWiT: SEK [*], of which SEK [*] is in cash and SEK [*] by set-off (Sw. <i>kvittning</i>) of services pursuant to a separate consultancy agreement. ● Total investment: Minimum of SEK [*].
1.5	Ownership fully diluted post Investment	byWiT’s ownership post round to be at least [*] per cent, see Appendix 1 for cap table.
1.6	Due diligence	Light financial, legal and technical due diligence review focusing on the fundamental aspects of the Company.
1.7	Shareholders’ agreement, investment agreement & warranties	<p>All holders of securities shall be parties to:</p> <ul style="list-style-type: none"> ● a side letter to the shareholders’ agreement, see Section 2 for principal content to be included in shareholders’ agreement; and ● an investment agreement, which shall include fundamental warranties regarding corporate existence and power, title to shares, IP, related party transactions and due diligence information.
1.8	Conditions	<p>The Investment shall be conditional upon:</p> <ul style="list-style-type: none"> ● satisfactory completion of due diligence;

		<ul style="list-style-type: none"> • byWiT board approval; • execution of the investment agreement and the side letter to the shareholders' agreement.
1.9	Proposed timeline	<ul style="list-style-type: none"> • Due diligence to be conducted during [Month] with the aim to reach an internal investment committee decision by [Date]. • Signing [Date]. • Closing [Date].
2	PRINCIPAL CONTENT OF THE SHAREHOLDERS' AGREEMENT AND THE SIDE LETTER	
2.1	Corporate Governance	
2.1.1	Board of directors	byWiT shall have the right to appoint one board observer. A board observer may attend and speak, but not vote, at board meetings.
2.1.2	Voting and consent rights	Veto required for byWiT regarding (i) issue of new shares, warrants, convertible debentures or other securities of the Company, (ii) changes to the articles of association, [(iii) merger, consolidation, liquidation or similar, (iv) filing for bankruptcy or moratorium, and (v) sale or closing down all or a significant part of the Company's business activities].
2.2	Shares	
2.2.1	Right of first refusal	Standard pro-rata right of first refusal for all shareholders.
2.2.2	Drag-along	If a third-party bid for an acquisition of all outstanding shares and other financial instruments in the Company is received and shareholders representing at least 50.1 per cent of the shares and votes in the Company, including byWiT, accepts such bid, the other shareholders shall be obliged to sell their shares/instruments to such bidder.
2.2.3	Tag-along	If one or more shareholders wish to sell shares representing at least [X] per cent of all shares in the Company to one or more third-party(ies) and the shares are not purchased by the other parties pursuant to the right of first refusal provisions, all shareholders shall be offered the opportunity to sell their shares pro-rata to the third-party buyer on the same terms.
2.2.4	Permitted transfers	No transfer restrictions shall apply for share transfers by byWiT (i) to any advisor, shareholder or investor of byWiT, (ii) to any entity, directly or indirectly, controlled by, controlling or under common control with byWiT, and (iii) in connection with a portfolio secondary, <i>i.e.</i> the sale of the whole or part of byWiT's portfolio to a single party).

2.2.5	Right to invest	<p>Except as set out in 2.4.3, all shareholders shall always have the right, but not the obligation, to invest pro-rata in any forthcoming capitalisations of the Company other than in respect of any securities issued under any incentive program or pursuant to the investment agreement.</p> <p>To the extent other shareholders do not exercise their right to participate in future capitalizations, byWiT shall be offered to participate in such shareholders' place. If such right is not exercised by byWiT, all other shareholders shall be offered to participate pro-rata in byWiT's place.</p>
2.3	Founders	
2.3.1	Dedication, vesting and lock-up	<p>The founders undertake to devote all working time and attention to the Company. Four (4) years monthly vesting with a one (1) year cliff for the first 25 per cent of the shares for Founders and single trigger acceleration. Vesting accelerated in case of an exit.</p> <p>Customary leaver arrangements for Founders. In case of leaver event, right of first refusal <i>pro-rata</i> purchase right of shareholders.</p> <p>Founders lock-up during vesting period, except as set out otherwise herein.</p>
2.3.2	Non-compete and non-solicitation restrictions	<p>Founders to accept customary non-compete and non-solicitation restrictions, i.e. as long as the Founders hold shares and for a period of 12 months thereafter.</p>
2.4	Other	
2.4.1	Put option	<p>byWiT put option exercisable at any time against Founders' against payment of quota value for all shares held by byWiT.</p>
2.4.2	Information	<p>Customary information rights e.g., annual accounts delivered within 120 days after end of fiscal year, budget to be provided at least 30 days prior to end of fiscal year, monthly reports within reasonable time after end of month etc. Further, information undertakings required by byWiT in relation to its investors, e.g. information on KPIs, shall be implemented in the shareholders' agreement.</p>
2.4.3	Future financing rounds	<p>byWiT shall have the right, but no obligation, to subscribe for all shares in up to the next two financing rounds in the Company without applying any subscription rights for the other shareholders. Any shares not subscribed for by byWiT shall be offered pro rata to the other shareholders prior to any external investor.</p>
3	MISCELLANEOUS	

3.1.1	Confidentiality	This term sheet and the contents hereof are confidential, and the parties may disclose the existence of this term sheet and the terms set forth herein only to its representatives, directors and its legal or financial advisors, or as required by law. Any other disclosure is prohibited.
3.1.2	Costs	byWiT's costs for legal counsel and other costs related to the Investment (including due diligence costs) up to SEK 50,000 (excluding VAT) shall be borne by the Company. If byWiT refrains from investing, byWiT shall bear its own costs. If the Investment process is delayed, expanded or in any other way impeded due to reasons attributable to the Company or the Founders, the Founders and byWiT shall in good faith renegotiate the cost coverage cap to be increased to a reasonable cap.
3.1.3	Exclusivity	During the period from the date of this Term Sheet and two (2) months thereafter, the Founders shall not, and the Founders shall procure that the Company does not, initiate, enter into or continue discussions or negotiations with, or provide information in respect of the contemplated Investment or any other similar transaction to any third party with the exception for activities related to sourcing other potential co-investors (approved by byWiT) in the financing round.
3.1.4	Disputes	<p>This Term Sheet shall be governed by and construed in accordance with the laws of Sweden.</p> <p>Any dispute, controversy or claim arising out of or in connection with this Term Sheet, or the breach, termination or invalidity thereof, shall be finally settled by arbitration administered by the Arbitration Institute of the Stockholm Chamber of Commerce (the "SCC"). The Rules for Expedited Arbitrations of the Arbitration Institute of the Stockholm Chamber of Commerce shall apply, unless the SCC, taking into account the complexity of the case, the amount in dispute and other circumstances, determines, in its discretion, that the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce shall apply. In the latter case, the SCC shall also decide whether the arbitral tribunal shall be composed of one or three arbitrators. The place of arbitration shall be Stockholm, Sweden. The parties undertake and agree that all arbitral proceedings conducted with reference to this arbitration clause will be kept strictly confidential. This confidentiality undertaking shall cover all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings.</p>
3.1.5	Binding agreement	The provisions of this Term Sheet are non-binding apart from sections 3.1.2 (Costs), 3.1.3 (Exclusivity) and 3.1.4 (Disputes).

Future Champions byWiT AB

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[*]

[FOUNDER]

[FOUNDER]

Appendices

Appendix 1 - Capital Structure Post Investment