

Venture - Term Sheet – Newco

1. Investor:	Venture AS (“Investor”)
2. Company	Newco AS (“Company”)
3. Founders	Founders x and y
4. Investment:	5 MNOK from Investor
5. Security and Price:	The pre-valuation of the Company is 10 MNOK (enterprise value) fully diluted.
6. Preemptive Rights/ Right of first refusal:	Any transfer of shares shall be subject to a right of first refusal. All shareholders will have the right to retain pro rata ownership in any future private financing.
7. Co-sale and Drag-along:	A shareholder is not entitled to sell unless all shareholders are offered to participate on a pro-rata basis. If Investor receives an offer for all shares in the Company, Investor can force the sale of all shares.
8. Redemption (Buy-back of shares)	The Parties agree that the Investor may require that the Shareholders vote in favor of redemption or buy-back of all or part of the Investor’s shares after a period of five years of this Investment given that the fair market value (FMV) of the company exceeds 35 MNOK. The price shall equal the price of the last financing round plus an annual interest of 7 % (in any case not lower than the Subscription Price plus an annual interest of 7 %).
9. Lock-up	The Founders are obliged to work full time for the Company, and may not terminate their employment, and may not sell their shares for a period of three years from the entry into force of this Agreement unless agreed among the Parties and unless they are forced to resign by Investor. Any premature termination by Founders not agreed by the Parties will give the other shareholders an option to purchase pro rata the shares of the person giving such premature notice at price per share of 40% of market value the first 18 months, and 75% of market value the following 18 months.
10. Liquidation Preference	In a liquidation (incl. trade sale) with a valuation lower than the valuation of the last financing round, preference shares shall be paid before ordinary shares, incl. an annual dividend of 7%.
11. Anti-dilution Protection:	In the event that the price for new shares is lower than the valuation in the last financing round, Investor may require the issuance by the Company of a number of shares at nominal value such that the volume weighted average price per share for all Investor’s shares is equal to the new share price
12. Options:	Investor shall have the right to invest up to 10% of the company at 3 times the Price of the present round per share for a period of 4 years from the closure of this transaction.
13. Board Seats:	Investor will have the right to nominate 2 of up to 6 members of the Board of Directors.
14. Reporting:	Investor will have the right to receive audited financial statements and unaudited monthly financial statements.
15. Shareholder Agreement	The investment shall be made pursuant to a Shareholder Agreement reasonably acceptable to both parties, including customary protective provisions for Investor, non-competition, investment representations and warranties by Company shareholders and its employees.
16. Transaction cost	Company agrees to pay reasonable fees of legal and other counsel of Investor as part of due diligence, limited to 100 kNOK. Any additional cost should be shared 50/50.
17. Confidentiality and exclusivity	This offer shall not be communicated to any outside party without the Company’s and the Investor’s consent. During the Negotiation Period (until the target date for closing) the Company will negotiate exclusively with the Investor.
18. Conditions for closing and expiration	<p>Target date for Closing is dd/mm/yy, subject to satisfactory due diligence investigation and the approval of the Investment by the Board of Directors of the Investor and the Company.</p> <p>The Term Sheet will expire on the earlier of (i) 60 days after signing, (ii) the signing of the Shareholders Agreement or (iii) the Company being informed by the Investor of their decision not to pursue the transaction.</p>

Place and date

Company

Founders

Investor