

# SIMPLE AGREEMENT FOR FUTURE EQUITY

This Simple Agreement for Future Equity (the "Agreement") is entered into by and between:

## Company Information:

Company Name: \_\_\_\_\_

State of Incorporation: \_\_\_\_\_

Principal Office Address: \_\_\_\_\_

## Investor Information:

Full Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

## Investment Details:

Investment Amount (USD): \_\_\_\_\_

Payment Method: \_\_\_\_\_

## 1. Interpretation

Defined terms and construction rules apply throughout this Agreement unless otherwise specified.

## 2. Investment and Equity

Investor agrees to make the investment amount in exchange for the right to receive equity in the Company upon a future Equity Financing or Liquidity Event as defined herein.

## 3. Equity Financing

If the Company undertakes an equity financing before the termination of this Agreement, the investment amount will convert into the number of shares of preferred stock issued in the Equity Financing, calculated by the Discounted Price or Valuation Cap, whichever provides greater equity to the Investor.

## 4. Valuation Cap and Discount

The Purchase Amount will convert at the lesser of (a) a pre-money valuation cap of \_\_\_\_\_ USD or (b) a discount of \_\_\_% to the price per share paid by the investors in the Equity Financing.

## 5. Liquidity Event

Upon a Liquidity Event prior to conversion, the Investor will either (a) receive a cash payment equal to the Purchase Amount plus accrued interest or (b) convert into common stock immediately prior to the Liquidity Event, whichever is more favorable as specified.

## 6. Termination

This Agreement will terminate upon the earlier of (a) conversion of the investment into equity or (b) repayment of the Purchase Amount.

## 7. Representations and Warranties of the Company

The Company represents that it is duly incorporated, has the authority to enter into this Agreement, and the execution hereof does not violate any agreements. The Company is not in violation of any applicable laws or regulations which

would materially affect its business.

## **8. Representations and Warranties of the Investor**

The Investor represents that the investment is for their own account, they are accredited or sophisticated, and they have the capacity to bear the risks of this investment.

## **9. Covenants**

The Company agrees to use the proceeds of the investment for general corporate purposes and to provide periodic financial statements to the Investor.

## **10. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_, without regard to its conflict of laws principles.

## **11. Notices**

All notices under this Agreement shall be in writing and delivered by hand, certified mail, recognized overnight courier, or electronic transmission with confirmation.

## **12. Entire Agreement**

This Agreement, together with any schedules and exhibits, constitutes the entire agreement between the parties and supersedes all prior agreements.

## **13. Amendments**

Any amendment or waiver must be in writing and signed by both parties.

## **14. No Waiver**

Failure to enforce any provision shall not constitute a waiver of future enforcement.

## **15. Severability**

If any provision is unenforceable, the remainder shall remain in full force and effect.

## **16. Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original.

## **17. Binding Effect**

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

## **18. Assignment**

Neither party may assign this Agreement without prior written consent of the other, except to a successor in interest.

## **19. No Rights as Shareholder**

Investor shall have no rights as a shareholder until conversion of this Agreement.

## **20. Confidentiality**

The terms of this Agreement and related information shall be kept confidential except as required by law or as agreed in writing.

**COMPANY AUTHORIZED SIGNATORY**

**INVESTOR**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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