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| **INVESTMENT**  **TERM SHEET**  ***EXPLANATORY NOTE*** | | | **PRIKAZ BITNIH ELEMENATA**  **ULAGANJA**  ***NAPOMENE*** | |
| This document is an example for information purposes and is intended to serve as an incentive to be acquainted with the investment process. This document does not represent legal advice. All parties are advised to seek professional financial, legal and tax counsel prior to undertaking obligations and signing a term sheet. | | | Ovaj dokument je primjer u svrhu informiranja i namijenjen je kao poticaj da se sudionici upoznaju s postupkom investiranja. Ovaj dokument ne predstavlja pravni savjet. Svim sudionicima se predlaže da angažiraju profesionalne financijske, pravne i porezne savjetnike prije nego preuzmu obveze i potpišu prikaz bitnih elemenata ulaganja. | |
| ITEM | EXPLANATION | WORDING EXAMPLE | | OBJAŠNJENJE |
| A.10 | Insert Company name and form, registered address, OIB/registration number. | *Future Unicorn d.o.o., Riječka ulica 1A, Zagreb, OIB 12345678901* | | Umetnuti naziv i oblik Društva, adresu sjedišta, OIB/MBS. |
| B.10 | Please insert name and surname, registered address, OIB/passport number of the Founder 1. | *Ivan Marković, Trg slobode 3, Osijek, OIB 23456789012* | | Umetnuti ime i prezime, adresu prebivališta, OIB/broj putovnice Osnivača 1. |
| B.20 | Insert name and surname, registered address, OIB/passport number of the Founder 2. | *Marta Ivanović, Šumski prilaz 9, Zagreb, OIB 32165406987* | | Umetnuti ime i prezime, adresu prebivališta, OIB/broj putovnice Osnivača 2. |
| C.10 | Insert name and surname, registered address, OIB/passport number of the Lead Investor. | *Ana Vulić, Aleja pobjede 16, Karlovac, OIB 99988854312* | | Umetnuti ime i prezime, adresu prebivališta, OIB/broj putovnice Glavnog ulagatelja. |
| C.20 | Insert name and surname, registered address, OIB/passport number of the Investor 2. | *Boris Horvat, Ulica Petra Preradovića 71, Varaždin, OIB 56789043222* | | Umetnuti ime i prezime, adresu prebivališta, OIB/broj putovnice Ulagatelja 2. |
| D.10 | Insert the date of the conclusion of the Investment Term Sheet (in DD-MM-YYYY format). | *13 May 2022* | | Umetnuti datum sklapanja Prikaza bitnih elemenata ulaganja (u DD-MM-YYYY obliku). |
| E.10 | Insert total investment amount. | *EUR 350,000.00* | | Umetnuti ukupni iznos ulaganja. |
| E.20 | Insert investment amount by Lead Investor. | *EUR 250,000.00* | | Umetnuti iznos ulaganja od strane Glavnog ulagatelja. |
| E.30 | Insert investment amount by Investor 2. | *EUR 100,000.00* | | Umetnuti iznos ulaganja od strane Ulagatelja 2. |
| F.10 | Insert Company form pre-closing, e.g. limited liability company. | *Društvo s ograničenom odgovornošću – limited liability company* | | Umetnuti oblik Društva prije ulaganja, npr. društvo s ograničenom odgovornošću. |
| F.20 | Insert Founders’ shareholding percentages, e.g. Founder 1 – 50%, etc. | *Ivan Marković 60%*  *Marta Ivanović 40%* | | Umetnuti strukturu udjela u kapitalu Društva prije ulaganja, npr. Osnivač 1- 50%, itd. |
| F.30 | Briefly describe principal ESOP terms, e.g. option pool and vesting. | *No ESOP has been implemented.* | | Ukratko opisati strukturu opcijskog stjecanja udjela u kapitalu za radnike prije ulaganja, npr. ukupni postotak udjela za radnike i dinamiku stjecanja. |
| F.40 | Insert pre-money valuation amount, including convertible instruments. | *EUR 1,000,000.00* | | Umetnuti procjenu vrijednosti Društva prije ulaganja, uključujući instrumente zamjenjive za kapital (udjele) |
| G.10 | Insert type of security, e.g. common stock (equity), preferred stock, convertible loan, etc. | *Convertible loan, no interest, 36 months maturity, conversion upon qualified financing, full maturity upon occurrence of Liquidation Event* | | Umetnuti vrstu prava koje ulagatelji stječu, npr. obične dionice (vlasnički kapital), povlaštene dionice, konvertibilni zajam, itd. |
| G.20 | Insert investment structure, e.g. investment into share capital of the Company. | *The entire investment amount is made available as convertible loan* | | Umetnuti strukturu ulaganja, npr. ulaganje u temeljni kapital Društva. |
| G.30 | Briefly describe ranking of securities issued in this investment round compared to common stock or previously issued securities. | *Pari passu with existing common stock* | | Ukratko opisati prvenstveni red prava stečenih u ovom investicijskom krugu u usporedbi s običnim dionicama ili prethodno stečenim pravima. |
| G.40 | Insert Founders’ and Investors’ shareholding percentages, e.g. Founder 1 – 20% etc. | *N/A until conversion* | | Umetnuti strukturu udjela u kapitalu Društva nakon ulaganja, npr. Osnivač 1- 20%, itd. |
| G.50 | Briefly describe principal ESOP terms, e.g. option pool and vesting. | *Option pool: 10%* | | Ukratko opisati strukturu opcijskog stjecanja udjela u kapitalu za radnike nakon ulaganja, npr. ukupni postotak udjela za radnike i dinamiku stjecanja. |
| G.60 | Insert post-money valuation amount including convertible instruments. | *EUR 1,350,000.00* | | Umetnuti procjenu vrijednosti Društva nakon ulaganja uključujući convertible instruments. |
| G.70 | Briefly describe dividend policy*.* | *As determined by the shareholders’ meeting* | | Ukratko opišite politiku isplate dividende. |
| G.80 | List the events or circumstances, e.g. liquidation, dissolution, winding up of the Company, which will trigger certain Investors’ rights (i.e. Liquidation Event). | *N/A* | | Navedite događaje ili okolnosti, npr. likvidacija ili prestanak Društva, koje će pokrenuti određena prava ulagatelja (tj. likvidacijski događaj). |
| G.90 | Change of control effect. | *N/A* | | Učinak promjene kontrole. |
| H.10 | Insert estimated Closing date (in DD-MM-YYYY format). | *13 August 2022* | | Umetnuti predviđeni datum zaključenja (u DD-MM-YYYY obliku). |
| H.20 | Briefly describe Closing Condition Precedents, e.g. standard Condition Precedents described herein. In addition, specific Condition Precedents can be stipulated which should in that case be additionally described. | *The obligations of the parties hereto shall be conditioned on the following Condition Precedents:*  *i. completion of due diligence satisfactory to the Investors;*  *ii. fulfilment of AML/KYC procedures under all applicable laws;*  *iii. adoption of required resolutions or by-laws by the Company;*  *iv. receipt of all necessary consents and waivers;*  *v. execution, by all Founders and (Key) Employees, of agreements with the Company containing reasonable employment and/or remuneration policies, non-compete, non-solicitation and IP assignment in favor of the Company;*  *vi. absence of any material adverse change affecting the Company.* | | Ukratko opišite prethodne uvjete za zaključenje, npr. standardne prethodne uvjete za zaključenje koji su opisani ovdje. Dodatno, moguće je propisati i posebne prethodne uvjete za zaključenje koji bi u tom slučaju trebali biti dodatno opisani. |
| I.10 | Briefly describe Liquidation Preference clause, e.g. 1x non-participating liquidation preference described herein. | *In the event of any liquidation, dissolution or winding up of the Company (i.e. Liquidation Event), the Investors will be entitled to receive for each share an amount equal to 1x of the individual investment amount plus all accumulated but unpaid dividends thereon, before making any distribution to other existing shareholders.* | | Ukratko opišite odredbu o prvenstvu pri likvidaciji, npr. ulagatelji imaju pravo primiti 1x uloženog iznosa prije osnivača, bez sudjelovanja u tražbinama po osnovi kapitala. |
| I.20 | Briefly describe Most Favored Nation clause. | *If the Company or the Founders, previously or subsequently to this investment, have granted or grants terms to another investor that are more favorable for the respective investor than the contained in this Term Sheet, such more favorable terms shall equally apply to the Investors, unless such equal treatment is explicitly waived by the Investors.* | | Ukratko opišite odredbu o načelu najpovlaštenije nacije. |
| I.30 | Briefly describe Tag Along clause. | *The Founders grant the Investors the right to participate in any sale of the Company’s share capital pro rata and on the same terms and conditions as offered to the Founders.* | | Ukratko opišite odredbu o pravu pridruživanja prodaji. |
| I.40 | Briefly describe Drag Along clause. | *The Investors grant a right to the Founders to request the Investors to participate in any sale of the Company’s share capital pro rata and on the same terms and conditions as offered to the Founders.* | | Ukratko opišite odredbu o obvezi pridruživanja prodaji. |
| I.50 | Briefly describe the Anti-dilution mechanism in case of a subsequent “down round” of financing. | *N/A* | | Ukratko opišite odredbu o zaštiti ulagatelja od umanjenja udjela u slučaju kasnijeg financiranja po nižoj procijenjenoj vrijednosti. |
| I.60 | Briefly describe whether the purchase agreement shall contain only standard representations and warranties by the Company, or certain specific representations and warranties which should in that case be additionally described. | *The purchase agreement shall contain standard representations and warranties by the Company. [In addition, the purchase agreement shall contain representations and warranties by the Founders regarding, [insert specific representations and warranties that the Founders will be required to make (e.g. capitalization, technology ownership, etc.].* | | Ukratko opišite hoće li kupoprodajni ugovor sadržavati samo standardne izjave i jamstva Društva, ili i određene posebne izjave i jamstva koja bi u tom slučaju trebala biti dodatno opisana. |
| J.10 | Briefly describe the post-closing composition of the Board of the Company, e.g. the composition of the Board in which certain number of Directors is designated by the Lead Investor, other Investors and the Founder described herein. | *At the Closing, the Board of Directors shall consist of [insert the number of Directors] Directors comprised of [insert the number of Directors] Director as the representative designated by the Lead Investor, [insert the number of Directors] Director as the representative designated by the other Investors and [insert the number of Directors] Director as the representative designated by the Founders.* | | Ukratko opišite sastav Društva nakon ulaganja, npr. sastav uprave u kojoj određeni broj članova imenuje Glavni Ulagatelj, ostali Ulagatelji i Osnivači, a koja je ovdje opisana. |
| J.20 | Briefly describe the post-closing voting rights, e.g. one vote per share on all matters. In adittion, voting rights in respect of different classes of stocks (preferred stocks, common stocks, etc.) and series of stocks (Series A, B, etc.) can be stipulated. Furthermore, it can be stipulated that on certain matters (i.e. Reserved Matters) approval of the Investors/special majority is required. | *All shareholders shall have one vote per share on all matters required to be submitted to a vote of shareholders of the Company.*  *or*  *Holders of [insert the type/series of shares] shall vote together with the holders of [insert the type/series of shares] on an as-converted basis on all matters required to be submitted to a vote of shareholders of the Company.* | | Ukratko opišite pravo glasa nakon ulaganja, npr. jedan glas po dionici o svim pitanjima. Dodatno, moguće je propisati pravo glasa u odnosu na različite kategorije dionica (povlaštene dionice, obične dionice, itd.) i serije dionica (serija A, B, itd.). Osim toga, moguće je propisati i da je za pojedina pitanja potrebna suglasnost Ulagatelja/posebne većine. |
| J.30 | In respect of the item J.2, briefly describe the post-closing voting rights on Reserved Matters. | *Post conversion, the Investors shall jointly have a veto right on the following Reserved Matters:*   1. *share capital increase or decrease;* 2. *amendment of Company’s articles of association;* 3. *winding-up, liquidation, merger or other structural change to the Company;* 4. *sale of principal assets of the Company.* | | Nastavno na napomenu J.2, ukratko opišite pravo glasa za odluke s posebnom većinom. |
| J.40 | Briefly describe the Information Rights of the Investors, e.g. standard information rights described herein. In addition, specific Information Rights can be stipulated which should in that case be additionally described. | *The Company will deliver to the Investors:*  *i. audited annual financial statements for each fiscal year within [insert the number of days] days after the end of the fiscal year,*  *ii. unaudited quarterly financial statements within [insert the number of days] days following quarter-end,*  *iii. annual business plans at least [insert the number of days] days prior to the beginning of each fiscal year.* | | Ukratko opišite informacijska prava Ulagatelja, npr. standardna informacijska prava koja su ovdje opisana. Dodatno, moguće je propisati i posebna informacijska prava koja bi u tom slučaju trebala biti dodatno opisana. |
| K.10 | Insert the name of the country whose law will be applicable to this Term Sheet, e.g. Croatia. | *This Term Sheet is governed by and shall be construed in accordance with the laws of the [Republic of Croatia].* | | Umetnite ime države čiji će se zakoni primjenjivati na ovaj Prikaz bitnih elemenata ulaganja, npr. Hrvatska. |
| K.20 | Insert the name of the competent court, e.g. the competent court in Zagreb. | *Any dispute relating to the existence, validity, effectiveness, termination, interpretation or execution of this Term Sheet shall be subject to the jurisdiction of the competent court in [Zagreb].* | | Umetnite ime suda nadležnog za rješavanje sporova, npr. nadležni sud u Zagrebu. |
| K.30 | Briefly describe the manners in which the costs shall be borne. | *Each Party shall bear its own advisors’ costs related to the negotiation and execution of this Term Sheet and the negotiation and Closing of this transaction. Notarial, court and registration costs which are mandatory to give effect to the provisions herein under applicable law shall be borne by the Company.* | | Ukratko opišite način snošenja troškova. |
| K.40 | Briefly describe the confidentiality clause.  The confidentiality clause prevents Parties from disclosing the information from this Term Sheet to third persons. | *The existence and the contents of this Term Sheet, including the identities of the Parties, shall be treated as Confidential Information. The Parties undertake to protect, keep confidential and not to disclose or in any way make available to third parties any Confidential Information they exchange, learn, are provided to them or made available to them in any way, except: (i) with the prior consent of all other Parties, (ii) to their advisors bound by confidentiality, or (iii) when required under applicable law. The period of Confidentiality shall be [X] years from date set in D.1 above.* | | Ukratko opišite odredbu o povjerljivosti.  Odredba o povjerljivosti zabranjuje ugovornim stranama da otkriju sadržaj ovog prikaza bitnih elemenata ulaganja trećim osobama. |
| K.50 | Briefly describe the “No-Shop” clause.  This provision determines an exclusivity period in which neither Party shall seek alternative financing under terms which are not compatible with the terms in this Term Sheet. | *From the date hereof until [DD-MM-YYYY], 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 Founders will, directly or indirectly, solicit or participate in any way in negotiations with, or knowingly provide any information to, any person (other than the Investor(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 execute an Alternative Proposal.* | | Ukratko opišite odredbu o ekskluzivnosti.  Ovom odredbom ugovara se razdoblje ekskluzivnosti u kojem nijedna Ugovorna strana neće tražiti alternativno financiranje pod uvjetima koji nisu kompatibilni uvjetima u ovom prikazu bitnih elemenata ulaganja. |
| End of document | | | Kraj dokumenta | |