



TERM SHEET

<p>Parties</p>	<p>(1) CEE Angels Ltd. (registered seat: 1061 Budapest, Paulay Ede utca 55. (Power Angels),</p> <p>(2) [...] (Company)</p> <p>(3) [...] as the founder(s) of the Company („Founder” or „Founders”).</p> <p>jointly referred to as: Parties, individually: Party.</p>
<p>The activity of the Company</p>	<p>The business activity and goal of the Company is the following:</p> <p>[...] (Activity or Project)</p> <p>The presentation, including the detailed description of the Activity has been handed over to Power Angels.</p>
<p>Goal and intention of the Parties</p>	<p>The intention of Company is to further develop and intensify Activity.</p> <p>The Founder(s) and Company may decide to get later round funding for Company from venture capital and/or private equity investors (Series A Funding).</p> <p>Power Angels is to provide early stage debt and/or equity funding to the Company as Angel Funding. Power Angels intends to support the Company with Angel Funding to increase its value and potentially be capable of getting Series A Funding.</p>
<p>Angel Funding</p>	<p>Power Angels undertakes to provide Angel Funding to the Company.</p> <p>The Angel Funding will consist of:</p> <ul style="list-style-type: none"> - Equity part in the value of [.....] - Debt part in the value of [.....] <p>For the Equity part of Angel Funding Power Angels shall receive [..]% sharholding in the Company. The shareholding of Power Angels shall be free of any restriction and shall entitle Power Angels to exercise full membership rights, especially, the right to vote, the right to receive dividend and the right to receive liquidation interests.</p>



<p>Role of Power Angels</p>	<p>According to this Term Sheet, Power Angels shall be involved and fully informed about the following activities of the Company and Founders:</p> <ul style="list-style-type: none">a. preparation of the business model and strategy;b. preparation of business plan;c. financial management,d. presenting the Company to potential investors and/or angels.e. negotiations with the goal of getting funding for the Company. <p>Power Angels may delegate any and all of the above roles to its advisor (Selected Advisor) or other representatives.</p>
<p>Preference rights of Power Angels</p>	<p>The Parties agree that Power Angels shall have the following rights with regard its stake in the Company:</p> <ul style="list-style-type: none">- Drag-along and tag-along in case of transfer of share/quota in the company(drag-along right not is exercisable in the first 12 months),- Right of first refusal in case of sale of shares/quota, as well as subscription right in case of issuing new shares or quota,- Buy option(vesting) for Company to buy out shares/quota of founders if they leave the company within 36 months or they breach any material managerial obligation (non-competition, mismanagement, etc.),- Anti-dilution right if in any new investment round with valuation below current valuation applied,- Participating liquidation preference and dividend preference for the amount given as funding to the Company plus 15% annual yield. <p>The Parties agree that Power Angels shall have right of veto on the following issues as shareholder/owner of the Company:</p> <ul style="list-style-type: none">- Modification of dead of foundation or articles of association,- Nomination or withdrawal of CEO/managing director as well as CFO or COO of the Company,- Decision on management remuneration,- Approval and modification of busines plan and financial budget,- Approval of transaction not included in financial budget,- Approval of any transaction with related parties,- Selling, transferring or collaterising tangible or intangible assets or intellectual property righths of the Company,- Changing the seat and/or business activity of the Company,- Changing the capital structure of the Company,- Taking debt, loan or other financial credit,- Setting-up, winding-up, buying or selling subsidiaries or assocaites,- Decesion making in subsidiaries in issues where such decesion would require approval of Power Angels at Company.



Debt conditions	<p>Debt part of Angel Funding will have the following conditions:</p> <ul style="list-style-type: none">- Interest 6,5% per 365 days,- Converted to equity when Series A Funding takes place (Conversion),- When converted into equity, the equity gained by Power Angels will have at least the same rights that is provided to new investors in that funding round,- Valuation used at Conversion will be with [...] % discount compared to valuation used by external investors taking place in Series A Funding.- If the Conversion is not made within 12 months, the valuation to be used for any Conversion after this time is capped at pre-money value of [.....].- If not repayed in 3 years, will be converted to equity at a valuation of [...].
Final Agreement/ Obligatory elements of the Agreement	<p>In accordance with the main terms and conditions of this Term Sheet, a final agreement (Final Agreement) shall be concluded between the Parties. The proposed final date of entering into the Final Agreement(s) shall be [...], 2016.</p> <p>The Founder(s) and the Company, jointly undertake, to take all decisions and to sign all declarations which shall be required for the execution of Angel Funding. Parties also agree that when negotiating the Final Agreement, they may further complete and/or specify the list of the rights connected to the stake to be held by Power Angels in the Company.</p> <p>This Term Sheet shall be considered as a pre-agreement (<i>in Hungarian: előszerződés</i>) in relation to the Final Agreement(s) or Agreements.</p>
Condition Precedents	<p>The current Term Sheet concluded between the Parties shall enter into force with conditions precedents (Condition Precedents) as follows:</p> <ul style="list-style-type: none">- the Board of Power Angels approves its full text in a formal decision;- the Company concluded a separate contract or term sheet with OXO Labs Ltd. at least on further Fundraising Services as necessary for the further funding needs of the Project;- if required or acknowledged by the Board of Power Angels in its specific investment decision, the Company entered into an agreement with an accelerator/incubator/mentor as selected and indicated or approved in the board decision.
Effective date	<p>This Term Sheet shall come into effect upon the signature of all Parties as well as the full performance and executions of all Condition Precedents.</p>
Expenses	<p>The costs incurred by the conclusion of this Term Sheet shall be borne by each Party. Jointly agreed expenses of due diligence related the execution of this Term Sheet should be born 50%-50% by PowerAngels and Company.</p>



Confidentiality	The Parties undertake to treat confidentially the signing and the content of this Term Sheet and not to disclose them to third parties without the prior written approval of Power Angels. The Founder(s) and Company acknowledge that Power Angels and its Selected Advisor may publish the fact of negotiating with and advising the project in their own public materials.
Exclusivity	<p>The Parties undertakes to take all necessary step in order to execute Angel Funding within [...] months from the date of signing the Term Sheet. The Parties further agree to provide exclusivity to Power Angels for Angel Funding for [...] months from the date of signing the Term Sheet.</p> <p>During the period of exclusivity, the Founders and the Company shall participate in any discussion with relation to fundraising for Company only with preliminary written approval of Power Angels.</p>
Applicable law	Hungarian
Copies	This Term Sheet has been made in [...] copies.
Language	This term Sheet and any amendment thereof shall be executed in English language.

Budapest, [...], 2016

Founder:		Company:
Power Angels		