

STARTUP'S LEAD INVESTMENT PAPER

Regarding [Startup] AS

This Startup's Lead Investment Paper (the “**SLIP**”) has been entered into by and between:

- (1) [name], [address], business reg. no. [?];
- (2) [name], [address], business reg. no. [?];
- (3) [name], [address], business reg. no. [?], (“**Investor**”); and
- (4) [Startup] AS, business reg. no. [?] (the “**Company**”).

Individually referred to as the “**Party**” and collectively to as the “**Parties**”. Party no. (1) to (2) shall be referred to as the “**Founders**”.

1 THE SLIP, KEY TERMS AND CAPTABLE

- 1.1 The SLIP has been developed by StartupLab in collaboration with SANDS. The principal purpose of the SLIP is to allow Norwegian tech startups to raise capital at a very early stage of development, and before it is possible to make a well-founded estimate of a pre-money valuation. The SLIP is a security in which the investor purchases the right to subscribe for an undefined number of shares, to be determined by a future valuation of the startup.

- 1.2 For the purpose of this particular SLIP, the Parties have agreed on the following key terms:

Bank Account No:	[?]
Discount:	[?] %
Investment Amount:	NOK [?]
Initial Financing:	NOK [?]
Trigger Amount:	NOK [?]
Valuation Cap:	NOK [?]

- 1.3 The Company has a share capital of NOK [?] divided into [?] shares, each with a par value of NOK [?]. The ownership structure at the date of this SLIP is as follows:

Shareholders	Shares	Share (%)
TOTAL		100 %

- 1.4 Investing in early-stage companies is inherently high risk. Investments should not be made by anyone who cannot afford to lose their entire investment.

2 DEFINITIONS

- 2.1 In this SLIP, the following terms shall have the following meanings:

Allotted Shares	Means a number of shares in the Company calculated by dividing the Investment Amount by the sum of the Share Price less the Par Value, as follows:
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Allotted Shares = Investment Amount / (Share Price – Par Value).
The Par Value will be paid by the Investor upon exercising the SLIP, and thus the Investor will pay the full Share Price for each Allotted Share.

If this method of calculation does not give the Investor a whole number of Allotted Shares, the number of Allotted Shares shall be rounded up or down to the nearest whole share.

Corporate Transaction

Means any one of the following transactions:

- A sale of more than 50 % of the shares in the Company
- A sale of all or most of the assets of the Company
- A merger or demerger of the Company
- A liquidation, dissolution or winding up of the Company

Discount

Means the discount, applicable for calculating the number of Allotted Shares.

Equity Financing

Means a bona fide share capital increase, or series of share capital increases with the principal purpose of raising capital, after which the Company issues and/or sells shares and raises an aggregate NOK amount equal to the Trigger Amount or more in gross proceeds excluding issued and issuable shares in the Initial Financing and excluding shares issued to employees and advisors under any share incentive plan or package.

Exercise Event

Means an event that triggers the right to issue and/or subscribe for the Allotted Shares, as described in clause 4.1 below.

Fully Diluted Basis

Means to apply the number of shares in the Company immediately prior to the Exercise Event that triggers the issuance of Allotted Shares, including all outstanding securities and rights convertible into, or exercisable for, shares in the Company, including issued options (vested and unvested), excluding shares issued or issuable as part of the Initial Financing.

Initial Financing

Means the initial amount of financing, prior to an Equity Financing, up to the amount stated in clause 1.2 above, by issuing SLIPs [and convertible loans] on terms equal to, or no better for the investor, than in this SLIP. [The following SLIPs and/or convertible loans shall also be considered part of the Initial Financing: [insert details]]

Investment Amount

Means the NOK amount the Investor shall invest in the Company, as stated in clause 1.2 above.

Optional Exercise

Means if the Investor [after [date]] determines, and notifies the Company in writing, to subscribe for the Allotted Shares in any other event than an Equity Financing or a Corporate Transaction, or if the Investor agrees to subscribe and the Company agrees to issue the Allotted Shares.

Par Amount

The amount payable by the Investor upon exercising the SLIP, as defined in clause 3.2 below.

Par Value	Means the par value of the shares in the Company, as stated in clause 1.3 above, or as amended in accordance with clause 3.5.
Share Price	Means the total price per share paid by the Investor, including the Investment Amount and the Par Amount, calculated as follows: (a) in the event of an Equity Financing, a NOK amount per share calculated by dividing the pre-money valuation in the Equity Financing with the number of shares in the Company on a Fully Diluted Basis, less the Discount, however not higher than a NOK amount per share based on a pre-money valuation equal to the Valuation Cap; (b) in the event of an Optional Exercise, a NOK amount per share calculated by dividing the Valuation Cap, or a different pre-money valuation if agreed between the Investor and the Company, with the number of shares in the Company on a Fully Diluted Basis; or (c) in the event of a Corporate Transaction, a NOK amount per share calculated by dividing the valuation of the Company in the Corporate Transaction with the number of shares in the Company on a Fully Diluted Basis, less the Discount, however not higher than a NOK amount per share based on a pre-money valuation equal to the Valuation Cap.
Trigger Amount	Means the Trigger Amount as stated in clause 1.2 above, with relevance to the required amount of capital to be raised in an Equity Financing in order to trigger an issuance of Allotted Shares.
Valuation Cap	Means the highest possible pre-money valuation of the Company, applicable for calculating the number of Allotted Shares, as stated in clause 1.2 above.

3 THE INVESTMENT

- 3.1 Subject to the terms of this SLIP, the Investor has decided to make an investment equal to the Investment Amount in the Company.
- 3.2 The Investment Amount shall be disbursed in full by the Investor immediately after entering into of this SLIP, by cash payment to the Company's Bank Account.
- 3.3 The payment of the Investment Amount gives the Investor an irrevocable right to subscribe for the Allotted Shares upon an Exercise Event in exchange for paying an additional share deposit equal to the Par Value per Allotted Share (the "**Par Amount**").
- 3.4 Allotted Shares issued [**Alt. 1:** to the Investor, shall have equal rights and belong to the same share class as shares owned by the Founders / **Alt. 2:** in the event of an Equity Financing shall have equal rights and belong to the same share class as the shares issued to new investors in the Equity Financing. Allotted Shares issued in the event of an Optional Exercise or a Corporate Transaction shall have equal rights and belong to the same share class as the existing shares of the Company.]
- 3.5 The Company cannot pay any dividends or similar equity payments to the shareholders or increase the Par Value of the shares by resolving a bonus issue (*Nw.: fondsemisjon*) in the

Company, prior to issuance of the Allotted Shares, unless in agreement with the Investor. If the Par Value is increased or decreased by a share split or reverse split, the exercise price upon subscription of the Allotted Shares shall be equal to the new Par Value of the shares.

- 3.6 The Investor may not assign its rights and obligations under this SLIP without the consent of the Company.
- 3.7 The Founders undertake to vote in favor of all resolutions which implement the terms, conditions and objectives of this SLIP, and to ensure that new shareholders in the Company undertake to vote in favor of all resolutions which implement the terms, conditions and objectives of this SLIP.
- 3.8 If the Company does not issue the Allotted Shares to the Investor on the terms of this Agreement, the Investor may, at the discretion of the Investor, demand to receive the Allotted Shares from the Founders or to be compensated by the Company for any loss incurred by the Investor by not receiving the Allotted Shares.
- 3.9 In the event of a material breach of this SLIP by the Company or the Founders, the Investor may terminate the SLIP, and demand a repayment of the Investment Amount.

4 ISSUANCE OF ALLOTTED SHARES

- 4.1 The Investor shall subscribe for the Allotted Shares, and the Company shall issue the Allotted Shares, in the following Exercise Events, whichever occurs first:
 - a) Upon completion of an Equity Financing;
 - b) Upon an Optional Exercise; or
 - c) Upon a Corporate Transaction, and the Investor chooses to subscribe for the Allotted Shares.
- 4.2 If an Equity Financing occurs, the Allotted Shares shall be issued in a share capital increase resolved in the same General Assembly where the capital increase in connection with the Equity Financing is resolved. The resolution on issuance of Allotted Shares shall, however, be adopted before any resolution on issuance of shares in the Equity Financing.
- 4.3 Issuance of Allotted Shares in an Optional Exercise shall take place within three weeks following the written exercise notice from the Investor or the agreement between the Investor and the Company to issue shares.
- 4.4 If a Corporate Transaction is resolved, agreed or otherwise likely to take place, the Investor shall be informed about the type of Corporate Transaction and the specific terms with relevance for the Investor. The Corporate Transaction shall not be completed until the Investor has received the Allotted Shares or has resolved and notified the Company in writing that the right to subscribe for the Allotted Shares will not be exercised. If the Investor chooses not to subscribe for the Allotted Shares, the Corporate Transaction may be completed on the terms informed to the Investor.

5 SHAREHOLDERS' AGREEMENT

- 5.1 By entering into this SLIP, the Investor, the Founders and the Company hereby agree and accept that a shareholders' agreement for the Company shall be entered into between the Investor and the shareholders of the Company from the date the Investor becomes shareholders in the Company, which [**Alt. 1:** shall be substantially in the form set out in Schedule 1 to the SLIP / **Alt. 2:** have terms that are customary for early stage technology commercialization companies].

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For legal questions, contact stig.nordal@dlapiper.no

6 TERMINATION, JURISDICTION AND GOVERNING LAW

6.1 This SLIP shall terminate when the Allotted Shares have been issued on the terms of this SLIP.

6.2 Any disputes that might rise relating to this SLIP and that cannot be resolved amicably, shall be resolved under Norwegian law with Oslo District Court as legal venue.

* * *

The Parties have entered into this SLIP on [date].

[signatures]

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SCHEDULE 1: SHAREHOLDERS' AGREEMENT

[Insert terms or draft of Shareholders' Agreement]