SAFE – RSAC INNOVATION SANDBOX

THIS INSTRUMENT AND ANY SECURITIES ISSUABLE PURSUANT HERETO HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED IN THIS SAFE AND UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.

[COMPANY NAME]

SAFE
(Simple Agreement for Future Equity)

THIS CERTIFIES THAT in exchange for the payment by **[Investor Name]** (the "**Investor**") of **$5,000,000** (the "**Purchase Amount**") on or about [Date of Safe], **[Company Name]**, a [State of Incorporation] corporation (the "**Company**"), issues to the Investor the right to certain shares of the Company's Capital Stock, subject to the terms described below.

This Safe is one of the forms available at http://ycombinator.com/documents and the Company and the Investor agree that neither one has modified the form, except to fill in blanks and bracketed terms and with respect to document formatting (including headers and footers).

The "**Discount Rate**" is determined based on the date upon which the initial closing of an Equity Financing or the closing of a Liquidity Event, as applicable, is consummated (the "**Closing Date**"), as follows: (a) **95%** if the Closing Date is **less than 90 days** after the date hereof; (b) **90%** if the Closing Date is at least 90 days but **less than 180 days** after the date hereof; (c) **85%** if the Closing Date is at least 180 days but **less than 270 days** after the date hereof; and (d) **80%** if the Closing Date is **270 days or more** after the date hereof.

See Section 2 for certain additional defined terms.

1. Events

(a) Equity Financing. If there is an Equity Financing before the termination of this Safe, on the initial closing of such Equity Financing, this Safe will automatically convert into the number of shares of Safe Preferred Stock equal to the Purchase Amount divided by the Discount Price.

In connection with the automatic conversion of this Safe into shares of Safe Preferred Stock, the Investor will execute and deliver to the Company all of the transaction documents related to the Equity Financing; provided, that such documents (i) are the same documents to be entered into with the purchasers of Standard Preferred Stock, with appropriate variations for the Safe Preferred Stock if applicable, and (ii) have customary exceptions to any drag-along applicable to the Investor, including (without limitation) limited representations, warranties, liability and indemnification obligations for the Investor.

(b) Liquidity Event. If there is a Liquidity Event before the termination of this Safe, the Investor will automatically be entitled (subject to the liquidation priority set forth in Section 1(d) below) to receive a portion of Proceeds, due and payable to the Investor immediately prior to, or concurrent with, the consummation of such Liquidity Event, equal to the greater of (i) the Purchase Amount (the "**Cash-Out Amount**") or (ii) the amount payable on the number of shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price (the "**Conversion Amount**"). If any of the Company's securityholders are given a choice as to the form and amount of Proceeds to be received in a Liquidity Event, the Investor will be given the same choice, provided that the Investor may not choose to receive a form of consideration that the Investor would be ineligible to receive as a result of the Investor's failure to satisfy any requirement or limitation generally applicable to the Company's securityholders, or under any applicable laws.

Notwithstanding the foregoing, in connection with a Change of Control intended to qualify as a tax-free reorganization, the Company may reduce the cash portion of Proceeds payable to the Investor by the amount determined by its board of directors in good faith for such Change of Control to qualify as a tax-free reorganization for U.S. federal income tax purposes, provided that such reduction (A) does not reduce the total Proceeds payable to such Investor and (B) is applied in the same manner and on a pro rata basis to all securityholders who have equal priority to the Investor under Section 1(d).

(c) <u>Dissolution Event</u>. If there is a Dissolution Event before the termination of this Safe, the Investor will automatically be entitled (subject to the liquidation priority set forth in Section 1(d) below) to receive a portion of Proceeds equal to the Cash-Out Amount, due and payable to the Investor immediately prior to the consummation of the Dissolution Event.

(d) <u>Liquidation Priority</u>. In a Liquidity Event or Dissolution Event, this Safe is intended to operate like standard non-participating Preferred Stock. The Investor's right to receive its Cash-Out Amount is:

(i) Junior to payment of outstanding indebtedness and creditor claims, including contractual claims for payment and convertible promissory notes (to the extent such convertible promissory notes are not actually or notionally converted into Capital Stock);

(ii) On par with payments for other Safes and/or Preferred Stock, and if the applicable Proceeds are insufficient to permit full payments to the Investor and such other Safes and/or Preferred Stock, the applicable Proceeds will be distributed pro rata to the Investor and such other Safes and/or Preferred Stock in proportion to the full payments that would otherwise be due; and

(iii) Senior to payments for Common Stock.

The Investor's right to receive its Conversion Amount is (A) on par with payments for Common Stock and other Safes and/or Preferred Stock who are also receiving Conversion Amounts or Proceeds on a similar as-converted to Common Stock basis, and (B) junior to payments described in clauses (i) and (ii) above (in the latter case, to the extent such payments are Cash-Out Amounts or similar liquidation preferences).

(e) <u>Termination</u>. This Safe will automatically terminate (without relieving the Company of any obligations arising from a prior breach of or non-compliance with this Safe) immediately following the earliest to occur of: (i) the issuance of Capital Stock to the Investor pursuant to the automatic conversion of this Safe under Section 1(a); or (ii) the payment, or setting aside for payment, of amounts due the Investor pursuant to Section 1(b) or Section 1(c).

2. <u>**Definitions**</u>

"**Capital Stock**" means the capital stock of the Company, including, without limitation, the "Common Stock" and the "Preferred Stock."

"**Change of Control**" means (i) a transaction or series of related transactions in which any "person" or "group" (within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding voting securities of the Company having the right to vote for the election of members of the Company's board of directors, (ii) any reorganization, merger or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity or (iii) a sale, lease or other disposition of all or substantially all of the assets of the Company.

"**Direct Listing**" means the Company's initial listing of its Common Stock (other than shares of Common Stock not eligible for resale under Rule 144 under the Securities Act) on a national securities exchange by means of an effective registration statement on Form S-1 filed by the Company with the SEC that registers shares of existing capital stock of the Company for resale, as approved by the Company's board of directors. For the avoidance of doubt, a Direct Listing will not be deemed to be an underwritten offering and will not involve any underwriting services.

"**Discount Price**" means the lowest price per share of the Standard Preferred Stock sold in the Equity Financing multiplied by the Discount Rate.

"**Dissolution Event**" means (i) a voluntary termination of operations, (ii) a general assignment for the benefit of the Company's creditors or (iii) any other liquidation, dissolution or winding up of the Company (excluding a Liquidity Event), whether voluntary or involuntary.

"**Dividend Amount**" means, with respect to any date on which the Company pays a dividend on its outstanding Common Stock, the amount of such dividend that is paid per share of Common Stock multiplied by (x) the Purchase Amount divided by (y) the Liquidity Price (treating the dividend date as a Liquidity Event solely for purposes of calculating such Liquidity Price).

"**Equity Financing**" means a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells Preferred Stock at a fixed valuation, including but not limited to, a pre-money or post-money valuation.

"**Initial Public Offering**" means the closing of the Company's first firm commitment underwritten initial public offering of Common Stock pursuant to a registration statement filed under the Securities Act.

"**Liquidity Event**" means a Change of Control, a Direct Listing or an Initial Public Offering.

"**Liquidity Price**" means the price per share equal to the fair market value of the Common Stock at the time of the Liquidity Event, as determined by reference to the purchase price payable in connection with such Liquidity Event, multiplied by the Discount Rate.

"**Proceeds**" means cash and other assets (including without limitation stock consideration) that are proceeds from the Liquidity Event or the Dissolution Event, as applicable, and legally available for distribution.

"**Safe**" means an instrument containing a future right to shares of Capital Stock, similar in form and content to this instrument, purchased by investors for the purpose of funding the Company's business operations. References to "**this Safe**" mean this specific instrument.

"**Safe Preferred Stock**" means the shares of the series of Preferred Stock issued to the Investor in an Equity Financing, having the identical rights, privileges, preferences, seniority, liquidation multiple and restrictions as the shares of Standard Preferred Stock, except that any price-based preferences (such as the per share liquidation amount, initial conversion price and per share dividend amount) will be based on the Discount Price.

"**Standard Preferred Stock**" means the shares of a series of Preferred Stock issued to the investors investing new money in the Company in connection with the initial closing of the Equity Financing.

3. <u>Company Representations</u>

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and has the power and authority to own, lease and operate its properties and carry on its business as now conducted.

(b) The execution, delivery and performance by the Company of this Safe is within the power of the Company and has been duly authorized by all necessary actions on the part of the Company (subject to Section 3(d)). This Safe constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity. To its knowledge, the Company is not in violation of (i) its current certificate of incorporation or bylaws, (ii) any material statute, rule or regulation applicable to the Company or (iii) any material debt or contract to which the Company is a party or by which it is bound, where, in each case, such violation or default, individually, or together with all such violations or defaults, could reasonably be expected to have a material adverse effect on the Company.

(c) The performance and consummation of the transactions contemplated by this Safe do not and will not: (i) violate any material judgment, statute, rule or regulation applicable to the Company; (ii) result in the acceleration of any material debt or contract to which the Company is a party or by which it is bound; or (iii) result in the creation or imposition of any lien on any property, asset or revenue of the Company or the suspension, forfeiture, or nonrenewal of any material permit, license or authorization applicable to the Company, its business or operations.

(d) No consents or approvals are required in connection with the performance of this Safe, other than: (i) the Company's corporate approvals; (ii) any qualifications or filings under applicable securities laws; and (iii) necessary corporate approvals for the authorization of Capital Stock issuable pursuant to Section 1.

(e) To its knowledge, the Company owns or possesses (or can obtain on commercially reasonable terms) sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, processes and other intellectual property rights necessary for its business as now conducted and as currently proposed to be conducted, without any conflict with, or infringement of the rights of, others.

4. Investor Representations

(a) The Investor has full legal capacity, power and authority to execute and deliver this Safe and to perform its obligations hereunder. This Safe constitutes a valid and binding obligation of the Investor, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

(b) The Investor is an accredited investor as such term is defined in Rule 501 of Regulation D under the Securities Act, and acknowledges and agrees that if not an accredited investor at the time of an Equity Financing, the Company may void this Safe and return the Purchase Amount. The Investor has been advised that this Safe and the underlying securities have not been registered under the Securities Act, or any state securities laws and, therefore, cannot be resold unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available. The Investor is purchasing this Safe and the securities to be acquired by the Investor hereunder for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. The Investor has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment without impairing the Investor's financial condition and is able to bear the economic risk of such investment for an indefinite period of time.

5. Miscellaneous

(a) Any provision of this Safe may be amended, waived or modified by written consent of the Company and either (i) the Investor or (ii) the majority-in-interest of all then-outstanding Safes with the same "Post-Money Valuation Cap" and "Discount Rate" as this Safe (and Safes lacking one or both of such terms will be considered to be the same with respect to such term(s)), provided that with respect to clause (ii): (A) the Purchase Amount may not be amended, waived or modified in this manner, (B) the consent of the Investor and each holder of such Safes must be solicited (even if not obtained), and (C) such amendment, waiver or modification treats all such holders in the same manner. "**Majority-in-interest**" refers to the holders of the applicable group of Safes whose Safes have a total Purchase Amount greater than 50% of the total Purchase Amount of all of such applicable group of Safes.

(b) Any notice required or permitted by this Safe will be deemed sufficient when delivered personally or by overnight courier or sent by email to the relevant address listed on the signature page, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address listed on the signature page, as subsequently modified by written notice.

(c) The Investor is not entitled, as a holder of this Safe, to vote or be deemed a holder of Capital Stock for any purpose other than tax purposes, nor will anything in this Safe be construed to confer on the Investor, as such, any rights of a Company stockholder or rights to vote for the election of directors or on any matter submitted to Company stockholders, or to give or withhold consent to any corporate action or to receive notice of meetings, until shares have been issued on the terms described in Section 1. However, if the Company pays a dividend on outstanding shares of Common Stock (that is not payable in shares of Common Stock) while this Safe is outstanding, the Company will pay the Dividend Amount to the Investor at the same time.

(d) Neither this Safe nor the rights in this Safe are transferable or assignable, by operation of law or otherwise, by either party without the prior written consent of the other; provided, however, that this Safe and/or its rights may be assigned without the Company's consent by the Investor (i) to the Investor's estate, heirs, executors, administrators, guardians and/or successors in the event of Investor's death or disability, or (ii) to any other entity who directly or indirectly, controls, is controlled by or is under common control with the Investor, including, without limitation, any general partner, managing member, officer or director of the Investor, or any venture capital fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company with, the Investor.

(e) In the event any one or more of the provisions of this Safe is for any reason held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Safe operate or would prospectively operate to invalidate this Safe, then and in any such event, such provision(s) only will be deemed null and void and will not affect any other provision of this Safe and the remaining provisions of this Safe will remain operative and in full force and effect and will not be affected, prejudiced, or disturbed thereby.

(f) All rights and obligations hereunder will be governed by the laws of the State of Delaware, without regard to the conflicts of law provisions of such jurisdiction.

(g) The parties acknowledge and agree that for United States federal and state income tax purposes this Safe is, and at all times has been, intended to be characterized as stock, and more particularly as common stock for purposes of Sections 304, 305, 306, 354, 368, 1036 and 1202 of the Internal Revenue Code of 1986, as amended. Accordingly, the parties agree to treat this Safe consistent with the foregoing intent for all United States federal and state income tax purposes (including, without limitation, on their respective tax returns or other informational statements).

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned have caused this Safe to be duly executed and delivered.

COMPANY:

[**COMPANY**]

By: ________________________________
Name:
Title:

Address:

Email:

INVESTOR:

[INVESTOR]

By: ________________________________
Name:
Title:

Address:

Email:

CONFIDENTIAL

[COMPANY]

[Date]

[**Crosspoint**]
[Address]

To the Parties Concerned:

Reference is made to that certain **Simple Agreement for Future Equity**, dated as of the date hereof (as amended from time to time, the "**SAFE**"), by and among **[Company]** (the "**Company**") and [**Crosspoint**] ("**Investor**").

In connection with the SAFE, the Company and Investor are concurrently entering into this letter agreement. Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to such terms in the SAFE.

The parties hereto hereby agree as follows:

1. Pro Rata Rights.

(a) Prior to the Conversion Financing, the Company shall provide written notice (the "**Offer Notice**") to Investor at least fifteen (15) days prior to any offering of Preferred Securities (as defined below), which notice shall state (i) the Company's bona fide intention to offer and sell Preferred Securities, (ii) the quantity of such Preferred Securities to be offered and (iii) the price and other terms upon which it proposes to offer such Preferred Securities.

(b) Investor shall have the right, exercisable by written notice to the Company delivered within ten (10) days after delivery of the Offer Notice (the "**Exercise Period**"), to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to its Pro Rata Portion (as defined below) of the applicable Preferred Securities (the "**Pro Rata Right**"). Investor may apportion the Pro Rata Right in such proportions as it deems appropriate among (i) itself, (ii) its Affiliated Funds (as defined below) and (iii) its beneficial interest holders, such as limited partners, members or any other person having "beneficial ownership" (as such term is defined in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended).

(c) During the ninety (90) day period following the expiration of the Exercise Period, the Company may offer and sell the unsubscribed portion of the Preferred Securities described in the Offer Notice to any person at a price not less than and, upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the Preferred Securities within such period, or if such agreement is not consummated within thirty (30) days after the execution thereof, then the Pro Rata Right shall be revived and such Preferred Securities shall not be offered unless first reoffered to Investor in accordance with this Section 1.

(d) Following the Conversion Financing, to the extent that Investor qualifies as a "Major Investor", "Investor" or other similar term, and by virtue thereof, is entitled to preemptive or similar rights pursuant to the Financing Documents (as defined below) (the "**Preemptive Right**"), Investor's Pro Rata Right set forth in this Section 1 shall be superseded by such Preemptive Right. Notwithstanding anything to the contrary set forth in the Financing Documents or this letter agreement, as long as Investor has not failed the Participation Condition (as defined below), (i) Investor's Preemptive Right shall not be waivable without Investor's express written consent and (ii) in the event that Investor no longer has, or for whatever reason, never received, a Preemptive Right arising under the Financing Documents, Investor's Pro Rata Right set forth in Section 1 shall reactivate and become effective again.

(e) The following terms shall have the meanings set forth below:

(i) "**As-Converted Basis**" means any shares of Common Stock then outstanding or then issuable, directly or indirectly, upon conversion or exercise, as applicable, of any Preferred Stock of the Company or any other Derivative Securities.

(ii) "**Conversion Financing**" means the initial closing of the Equity Financing in which the SAFE converts into equity securities of the Company.

(iii) "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock (including options, warrants, convertible promissory notes, simple agreements for future equity, etc.).

(iv) "**Financing Documents**" means the agreements entered into by and among the Company and its investors in connection with the Conversion Financing, whether pursuant to an amendment and restatement of such agreements or otherwise, which may include, but is not limited to, an Investors' Rights Agreement, Right of First Refusal and Co-Sale Agreement and/or Voting Agreement.

(v) "**Participation Condition**" means that, following the Conversion Financing, (A) Investor has purchased all of Investor's pro rata amount offered by the Company pursuant to Investor's Preemptive Right (or, if less than Investor's pro rata amount is offered by the Company, including by mutual agreement of the Company and Investor, such lesser amount so offered) each time such Preemptive Rights is offered to Investor, or (B) in the event that Investor no longer has, or never received, as applicable, a Preemptive Right pursuant to the Financing Documents, Investor has purchased all of Investor's Pro Rata Portion (or, if less than Investor's Pro Rata Portion is offered by the Company, including by mutual agreement of the Company and Investor, such lesser amount so offered), each time such Pro Rata Portion is offered to Investor.

(vi) "**Preferred Securities**" means any Preferred Stock of the Company and any convertible promissory notes, simple agreements for future equity or similar securities or rights convertible into, or exercisable or exchangeable for, Preferred Stock of the Company; *provided*, *however*, that "Preferred Securities" shall not include any shares of Preferred Stock of the Company issued upon the conversion of any convertible securities of the Company to be converted in connection with the applicable transaction (including the SAFE as applicable).

(vii) "**Pro Rata Portion**" means: (A) prior to the Conversion Financing, the *greater* of (I) 10%; and (II) that percentage of the Preferred Securities being offered by the Company that equals the quotient of (1) the number of shares of Common Stock then held by Investor on an As-Converted Basis *divided by* (2) the total number of shares of Common Stock of the Company on an As-Converted Basis, in each case ((1) and (2)), as of immediately before the initial closing of such transaction and assuming, for the avoidance of doubt, the conversion of any convertible securities of the Company to be converted in connection with such transaction (including the SAFE, as applicable); and (B) after the Conversion Financing, to the extent applicable pursuant to Section 1(d) above, that percentage of the Preferred Securities being offered by the Company that equals the quotient of (I) the number of shares of Common Stock then held by Investor on an As-Converted Basis *divided by* (II) the total number of shares of Common Stock of the Company on an As-Converted Basis, in each case ((I) and (II)), as of immediately before the initial closing of such transaction and assuming, for the avoidance of doubt, the conversion of any convertible securities of the Company to be converted in connection with such transaction.

2. Information Rights.

(a) Financial Statements. The Company will deliver to Investor:

(i) as soon as practicable, but in any event within 120 days after the end of each fiscal year of the Company (A) a balance sheet as of the end of such year, (B) statements of income and of cash flows for such year and (C) a statement of stockholders' equity as of the end of such year (all prepared in accordance with generally accepted accounting principles in the United States ("**GAAP**") (except that such financial statements may (A) be subject to normal year-end audit adjustments; and (B) not contain all notes thereto that may be required in accordance with GAAP);

(ii) as soon as practicable, but in any event within 45 days after the end of each quarter of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter and an unaudited balance sheet as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (A) be subject to normal year-end audit adjustments; and (B) not contain all notes thereto that may be required in accordance with GAAP);

(iii) as soon as practicable, but in any event within 45 days after the end of each quarter of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit Investor to calculate its respective percentage equity ownership in the Company (if applicable); and

(iv) such information relating to the financial condition, business, prospects, or corporate affairs of the Company as Investor may from time to time reasonably request.

(b) Exclusions. Notwithstanding anything to the contrary set forth herein, the Company shall not be obligated pursuant to Section 2(a)(iv) to provide information that the Company reasonably and in good faith determines to be a trade secret or the disclosure of which would reasonably be expected to adversely affect the attorney-client privilege between the Company and its counsel; *provided*, in each instance, that the Company gives Investor concurrent notice that withholding of information is occurring and whether such action is based on protection of trade secrets or attorney-client privilege.

(c) Miscellaneous. In the event that Investor is provided with information rights on substantially the same or more favorable terms pursuant to the Financing Documents, the Company's compliance with the information rights in the Financing Documents shall be deemed compliance with the provisions of this Section 2.

3. Confidentiality. Investor agrees that it will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor or make decisions with respect to its investment in the Company) any confidential information obtained from the Company pursuant to its rights under this letter agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 3 by Investor), (b) is or has been independently developed or conceived by Investor without use of the Company's confidential information or (c) is or has been made known or disclosed to

Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; *provided*, *however*, that Investor may disclose confidential information (i) to its attorneys, accountants, consultants and other professionals to the extent reasonably necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Company securities from Investor, if such prospective purchaser agrees to be bound by confidentiality obligations at least as restrictive as this Section 3; (iii) to any existing or prospective affiliate, partner, member, stockholder or wholly owned subsidiary of Investor in the ordinary course of business, provided that Investor informs such person that such information is confidential and directs such person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, regulation, rule, court order or subpoena, provided that Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

4. Right to Conduct Activities; Excluded Opportunities.

(a) The Company hereby agrees and acknowledges that Investor (together with its affiliates) is a professional investment organization, and as such reviews the business plans and related proprietary information of many enterprises, some of which may compete directly or indirectly with the Company's business (as currently conducted or as currently propose to be conducted). Nothing in this letter agreement shall preclude or in any way restrict Investor or its affiliates from evaluating or purchasing securities, including publicly traded securities, of a particular enterprise, or investing or participating in any particular enterprise whether or not such enterprise has products or services that compete with those of the Company; and the Company hereby agrees that, to the extent permitted under applicable law, none of Investor or any of its affiliates shall be liable to the Company for any claim arising out of, or based upon, (i) the investment by Investor or such affiliate in any entity competitive with the Company, or (ii) actions taken by any partner, officer, employee or other representative of Investor or such affiliate to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve Investor or any of its affiliates, as applicable, from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this letter agreement.

(b) For the avoidance of doubt, the Company acknowledges and agrees that it shall have no interest in, or expectancy of being offered an opportunity to participate in, any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of Investor or any partner, member, director, stockholder, employee, affiliate or agent of Investor, unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, such person expressly and solely in such person's capacity as a director of the Company while such person is performing services in such capacity.

5. Permitted Transfers. Notwithstanding anything to the contrary set forth in the Company's bylaws, the SAFE, the Financing Documents or this letter agreement, (i) such documents will not prohibit any transfer or assignment by Investor of the SAFE or any Company securities to any affiliate of Investor or to any nonprofit or charitable organization; (ii) any such transfer or assignment will constitute a permitted transfer or assignment under the foregoing and shall not be subject to any right of first refusal, right of first offer or any other restriction on transfer or assignment; (iii) the Company agrees to treat any such transfer or assignment to a nonprofit or charitable organization as a bona fide charitable contribution; and (iv) this letter agreement shall constitute the Company's consent to any such transfer or assignment.

6. Affiliated Funds. The Company acknowledges and agrees that one or more investment vehicles that controls, are controlled by, or are under common control with Investor (each, an "**Affiliated Fund**") may currently or subsequently co-invest with Investor. Solely with respect to those Affiliated Funds

that hold securities or other instruments issued by the Company, each Affiliated Fund shall (automatically and without the need for further action) independently be entitled to all of the rights granted in this Side Letter in the same manner as if such Affiliated Fund and the Company had directly entered into an agreement identical to this Letter. The Affiliated Funds are intended third party beneficiaries of this Section 6. Neither Investor nor any of its Affiliated Funds will be considered a competitor of or to compete with the Company for any purpose, including under the Financing Documents.

7. Publicity. The Company and its affiliates, advisors and representatives shall not make any press release or other public statement that contains a reference to (or logo of) Investor or any of its affiliates, advisors or representatives (by name or otherwise) without the prior written consent of Investor.

8. Venture Capital Operating Company Provisions. The Company and Investor agree that, in connection with Investor's investment in the Company qualifying as a venture capital investment under the United States Department of Labor "plan assets" regulation, 29 C.F.R. 2510.3-101, Investor will be entitled to the management rights set forth on Appendix A attached hereto, in addition to the rights provided to Investor pursuant to this letter Agreement.

9. Miscellaneous.

(a) Any term of this letter may be amended, and the observance of any term may be waived (either generally or in a particular instance), only with the prior written consent of the Company and Investor.

(b) This Letter Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any laws, rules or provisions that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(c) The invalidity of any provision (or portion of a provision) in this Letter will not affect the validity of any other provision (or remaining portion of a provision) of this Letter.

(d) The rights described in this letter agreement shall terminate and be of no further force or effect upon (i) such time as no securities of the Company are held by Investor or its affiliates; (ii) immediately before the consummation of the sale of the Company's securities pursuant to a registration statement filed by the Company under the Securities Act of 1933, as amended, in connection with the firm commitment underwritten offering of its securities to the general public; or (iii) upon the consummation of a merger or consolidation of the Company (A) that is effected (I) for independent business reasons unrelated to extinguishing such rights; and (II) for purposes other than (x) the reincorporation of the Company in a different state; or (y) the formation of a holding company that will be owned exclusively by the Company's stockholders and will hold all of the outstanding shares of capital stock of the Company's successor; and (B) in which the successor entity provides reasonably comparable rights to Investor or the consideration payable to Investor in such transaction consists solely of cash or securities of a class listed on a national exchange. The confidentiality obligations referenced herein will survive any such termination.

[*Signature Page Follows*]

Very truly yours,

[COMPANY]

By: ______________________________
Name:
Title:

Accepted and agreed:

[Crosspoint]

By: ______________________________
Name:
Title:

Appendix A

Venture Capital Operating Company Provisions

- If Investor is not represented on the Company's Board of Directors (the "**Board**"), Investor shall be entitled to consult with and advise management of the Company on significant business issues, including management's proposed annual operating plans, and management will meet with Investor regularly during each year at the Company's facilities at mutually agreeable times for such consultation and advice and to review progress in achieving said plans.

- Investor may examine the books and records of the Company and inspect its facilities and may request information at reasonable times and intervals concerning the general status of the Company's financial condition and operations; provided that access to highly confidential proprietary information and facilities need not be provided.

- As long as Investor holds at least 50% of the shares issuable upon conversion of the SAFE (on an As-Converted Basis, and as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date of the initial issuance of such shares), if Investor is not represented on the Board, the Company shall, concurrently with delivery to the Board, give a representative of Investor copies of all notices, minutes, consents and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; *provided*, *however*, that the representative may be excluded from access to any material or meeting or portion thereof if the Board determines in good faith, upon advice of counsel, that such exclusion is reasonably necessary to preserve the attorney-client privilege; and *provided further*, *however*, that such representative shall agree to hold in confidence all information so provided. Upon reasonable notice and at a scheduled meeting of the Board or such other time, if any, as the Board may determine in its sole discretion, such representative may address the Board with respect to Investor's concerns regarding significant business issues facing the Company.