

PRE-SEED TERM SHEET

Let's do this! Proposed investment in [\[your amazing game-changing venture\]](#)

We, at [Wingman Ventures](#), have tried to build the early stage investor we would have loved to have by our side in our own startups. We back courageous founder teams in creating global technology leaders. We send about 10 term sheets a year, and while we don't take ourselves too seriously, quite the opposite is true of these and sending them out means a lot to us.

We think you are exceptional. Very few people have the competences and energy needed to have a lasting impact on the world, and we think you have a shot at becoming one of them. Therefore, we are extremely excited to submit to you this term sheet as the starting point of our journey together.

Investment & Valuation We propose a CHF [\[amount\]](#) investment as lead investor to your pre-seed round. Our investment will correspond to [\[number\]](#)% of the ownership in your company at a post-money valuation (fully-diluted) of CHF [\[amount\]](#), all on a debt-free basis. That means we assume the total round size will be CHF [\[amount\]](#). If you choose to take more or less than that or if a potential high-quality investor who brings industry-specific expertise and network wants to join, we're happy to discuss it, but, generally, we expect our ownership and post-money valuation not to change from here on out.

Your company issues to us a new series of ordinary shares which will have the same rights as your existing ordinary shares other than a simple contractual preference on the distribution of cash in the event of a liquidation (see 'Liquidation Preference').

The capitalization table (an overview of who owns how many shares in your company) post financing round is attached.

Employee Participation Your first hires will be essential to the success of the company and we thus recommend that you will set up an employee participation plan before the round if you haven't done so yet. We expect that our ownership is fully-diluted after accounting for such an option pool.

We usually see a 10% option pool after the pre-seed round in order for you to be able to attract future management team members and key senior talents. Hence, the employee participation plan shall be extended by [\[number\]](#) options. If you don't already have an employee participation plan, we are happy to support you in setting this up in the context of this financing round.

Liquidation Preference Sometimes things don't go as planned and the company is sold below pre-seed round valuation or wound down with very little substance left. For such cases, we're neither asking for burdensome statutory nor founder-unfriendly preference rights, but we do ask for a simple [1x non-participating liquidation preference as contractual right](#). This means that if the company is sold or liquidated, we and any other investors participating in this round will get the higher of either the amount of the invested capital or the amount such person would receive on a pro rata basis as a result of the sale or liquidation.

Down-Round Protection It can happen that the company valuation decreases in subsequent financing rounds. As we are in the same boat as you, we don't ask for any anti-dilution protection at the pre-seed stage.

Important Decisions This is your company and we get the chance to fly by your side. We look for a trusting relationship with you and don't require any strict regulations. We do encourage some customary board and shareholder matters to create a professional

management foundation that is the ideal basis for your long-term ambitions - we're here to support you, not to interfere in your day-to-day business operations.

Board	We think that at the pre-seed stage the best way to help you is not through a formal board, but via frequent informal contacts. Also here we believe that setting up a board early helps you in quickly building an organization ready to scale. We don't require a board seat, but are usually asked to join as founders are interested in adding our experience to the team.
Information Rights	The more we know about your venture the more help you can expect from team Wingman. Therefore, we ask for monthly updates from you including key performance indicators as well as highlights and challenges, and annual updates including budgets and financial statements. In any case, please do share the bad news and whatever keeps you up at night, we are good handlers of them and will do our best to overcome any challenge in your way together.
Founder Vesting	As pre-seed investors, we primarily invest in people. So we plan to be your partner for the long haul and we know a lot can happen over time - sometimes personal preferences or life situations change and someone in your founding team decides to leave our journey. This can cause a lot of headaches for everyone involved, including you as the owners of the company. Hence, we would like everyone's shares to be subject to a standard reverse vesting which protects shareholders and co-founders alike if one of you changes your mind. This means, your shares will be earned monthly over 4 years with a one-year cliff and customary good/bad leaver provisions.
Confidentiality	We trust your judgement in deciding who to talk to about this confidential agreement but we would prefer to keep things between us, before it is a done deal.
Costs	You pay for your legal costs and we pay for ours.
Conditions	<p>Following the execution of this non-binding offer and before signing any finalized paperwork, we would still like to conduct a basic legal due diligence on the company and on you. This usually includes reviewing corporate documentation, employment contracts, intellectual property setup, and material contractual obligations and a few more administrative tick-the-box elements.</p> <p>The same applies for you - this is your final chance to make sure that we are the right partner for your journey. In case you have not already done so, we encourage you to speak to a few founders in our Wingman family to get an even better understanding of our relationship with them and hear from founder to founder what you can expect from working with us. We are of course happy to introduce you to whomever you'd like to speak to.</p>
Timing	Time is your most valuable asset. The faster this financing round is closed, the sooner you can go back and focus on building an awesome product for your customers. Hence, we hope you'll decide quickly on whether you'd like to move ahead and partner with us. After such a landmark decision, we hope to have the paperwork signed and money in your bank account no later than 4 weeks from today, [date].
Non-Binding	We're thrilled about the prospect of teaming up with you. Having said that, this document is legally non-binding. Give it 2-3 weeks of working out the remaining legal docs together and then we can change this to binding!

We enthusiastically await your response and stand ready to help you build a category-defining company!